THE COMMUNIST

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Organize and Strike Against Wage Cuts!

SEPTEMBER, 1930 25c

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THE COMMUNIST

A Magazine of the Theory and Practice of Marxism-Leninism

Published Monthly by the
Communist Party of the United States of America

MAX BEDACHT, *Editor*

Entered as second class matter November 2, 1927, at the Post Office at New York, N. Y., under the act of March 3, 1890.

VOL. IX SEPTEMBER, 1930 No. 9

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An Appeal to the Readers of the Communist

DEAR COMRADES:

The Communist Party is now initiating a drive to increase the circulation of THE COMMUNIST. In spite of all tremendous difficulties, we have kept up the only Marxist-Leninist theoretical organ printed in this country. We have increased the size of THE COMMUNIST from 64 pages to 96. We have made strenuous efforts to print special articles on vital economic and political questions. THE COMMUNIST is a great factor in building the theoretical foundations of the American revolutionary movement. We, however, must state that the dissemination of revolutionary theory among the American workers is not keeping pace with the growing radicalization of the working class and the developing class struggles. The need of theoretical clarity in the present economic and political situation for the revolutionary movement is greater than ever.

At no other time has the bourgeoisie, through their efficient staffs of propagandists and theoreticians, through the trade union bureaucracy, the socialist and renegades of Communism, been so persistent in their attempts at ideological corruption of the working class. Our class enemies know that theoretical clarity is a guarantee of successful class struggles. It therefore, becomes our proletarian duty to intensify the education of the working class in revolutionary theory.

However, the present circulation of the magazine is

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very insignificant compared with our gigantic task of solving the theoretical backwardness of the American revolutionary movement. Only a small per cent of our Party membership, and a still smaller proportion of the class conscious workers outside our Party organization, read THE COMMUNIST. Because of this situation we have now reached a stage where we are forced to go back to 64 pages if not give up THE COMMUNIST altogether.

Will you stand by idly and see THE COMMUNIST cease circulation? We are convinced this would not be the case. That is why we appeal to you to help us assure the existence of the magazine and popularize and increase the circulation of the only Marxist-Leninist theoretical organ in the United States.

It would be a serious blow to the revolutionary movement had the size of THE COMMUNIST to be curtailed or circulation suspended. Side by side with the organization of the workers for strikes against wage cuts; simultaneously with our struggle for social insurance and against imperialist war must come the theoretical development of the working class. One cannot succeed without the other.

The management of the magazine is now preparing for a subscription drive. Beginning with September 1 till November 7 we must get 2,000 new subscribers. As a reader of THE COMMUNIST you must help us in this drive. You must get subscribers and popularize the magazine in the organizations to which you belong. You must try to secure subscriptions from your friends and shop mates. The price of the magazine is small. Especially attractive should be the subscription offer of THE COMMUNIST. We know that with a little effort you can get a new subscriber. Get behind the drive. Make a financial contribution to THE COMMUNIST. Subscribe for your friend or shop mate.

THE COMMUNIST must exist. You, as a revolutionary worker cannot afford to have THE COMMUNIST suspend circulation. We on our part will try still more

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to improve the magazine. We however, do not want only your financial aid. We would also be glad to receive your criticism and suggestions for improving the contents of the magazine. The editors would also be glad to consider manuscripts sent in by revolutionary workers on economic and political questions confronting our movement.

We are convinced, you as a reader of THE COMMUNIST and as a revolutionary worker will give your proletarian answer to our appeal.

With revolutionary greetings,

THE COMMUNIST.

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Notes of the Month

LABOR DAY this year will be known as a day of struggle for Social Insurance. The Labor Day festivals of the reactionary labor bureaucracy will not escape the eyes of the starving millions of unemployed. The historical role of Labor Day is to forget everything about labor and make the workers think of class collaboration with the bosses and the government. It is a day of disseminating patriotic propaganda and drawing the workers into the war machine of American imperialism. It is a day of spreading the illusions of capitalist prosperity and chaining the workers to the political machines of the capitalist parties.

Things, however, have changed. The workers know the meaning of capitalist prosperity. They are also learning the true nature of capitalist democracy and the class character of the capitalist state. The 8,000,000 unemployed, the wage cutting campaign, the brutal police terror, the vicious wave of lynchings, the attacks upon the foreign born workers, the contemplated crop of anti-labor legislation are some of the living examples of capitalist rule facing the working class in its every day life and struggle. Of course the A. F. of L. bureaucracy can do nothing to solve these problems. It is a partner to the bosses attack upon the workers. Their aims as "labor" leaders are: "to uphold and perpetuate the existence of the capitalist system."

While the reactionary trade union officialdom is praising president Hoover's efforts to "avert" wage cuts and are continuously assuring the workers that the crisis will "soon be over", we find, however, that the facts in the situation are quite the contrary. Unemployment for the month of July increased considerably over the preceding month. According to the U. S. Department of Labor employment in 13 leading industrial groups during the month of July shows a decline of 2.6 per cent and the earnings of the workers employed declined 7.1 per cent. In the state of New York, the barometer state of the industrial conditions for the entire country, employment for July fell 4 per cent, reaching the lowest level on record since 1914 of the New York State Department of Labor.

Employment in the first weeks of August does not show any improvement. In fact, in a number of important industries, it became still worse. Th much-boasted increased employment in the automobile industry shows that with the reopening of the plants

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the number employed was much smaller than prior to the closing of these plants.

Why have the capitalist agencies begun to talk so much about unemployment? Why does the Democratic Party play around with relief for the unemployed and even social insurance? The reason for this is not only that we are approaching elections, but also to avert the revolutionary consequences of the struggle of the unemployed. Even President Green of the A. F. of L. was forced to sound warning that unless steps are taken to remedy the unemployment situation, the capitalist class will have to face the revolutionary consequences. He stated, in a recent speech in Canada, "If the governments of Canada and the United States want to remain secure, they must join with organized labor in finding a solution for unemployment, for there is nothing so disastrous to the social order as unemployment, which provides a fertile field for discontent and even revolution." That is precisely what they are afraid of. The capitalist class is afraid and is trying to prevent the development of the unemployment struggle along revolutionary channels. They do not want the workers to see that unemployment is a direct outgrowth of the present capitalist system.

None of the capitalist parties have any definite program to offer to solve the unemployment question. It is true there are a number of capitalist agencies that propose certain unemployment insurance bills, but they are not to improve the conditions of the unemployed and the working class generally, but are means only of diverting and preventing a real struggle for unemployment insurance. Lately, we have seen copies of various social insurance bills which pretended to help the unemployed, but in reality the burden of this "unemployment relief" according to these bills, will fall upon the working class by making the working class pay. Their measures are really wage cuts, out of which a certain "unemployment insurance" fund will be established under the direct control of the capitalist government and the employers. Such is the nature of the unemployment scheme of the General Electric Company, of the Conference of Progressive Political Action and the Unemployment League of Detroit.

On the other hand, however, our Party drew up a really revolutionary program for social insurance incorporated in its social insurance bill. This bill must become a rallying point for mass action on the part of the American working class under the leadership of our Party and the revolutionary trade unions. It must be introduced in every mass organization and brought to the workers in the factories. We must particularly emphasize the need of bringing

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the social insurance bill to the American Federation of Labor local unions and mobilize the rank and file members against its reactionary leadership, for a real struggle for social insurance. On Labor Day, as per decision of the National Unemployed Convention, we must bring this struggle to the forefront and set masses of workers in action for social insurance. We must also show to the workers the political problems of the struggle for Social Insurance on September 1. It must be linked up with the Communist election campaign. It must be pointed out to the masses that only Communist candidates can bring the Social Insurance Bill to the legislative and executive bodies of the U. S. government and fight for its adoption as law.

* * * * *

The growth of unemployment in the U. S. only reveals the sharpening of the economic crisis of American capitalism. The *Annalist* index of business activities for July is 83.9 per cent, as compared with 87.2 per cent for June. The combined index of business activity is now at the lowest level since March, 1921. The month of July has seen a serious decline in production in the most basic industries in the country, such as pig iron, declining from 95.9 per cent in June, to 87.3 per cent in July, steel ingot production, from 87.5 per cent to 74.3 per cent, bituminous coal production, from 81.2 per cent to 78.6 per cent, automobile production for the same period, from 88 per cent to 71.9 per cent.

The Annalist of July 24 therefore had to state:

> "It will be a welcome discovery to find in the current records of business the evidence that the traditional 'drakest hour just before dawn' had arrived, and was even now passing into new brightness. The evidence is not visible, however. The records suggest to the contrary, that some further decline in business must be effected."

The much advertised renewed prosperity in the automobile industry only shows that it will not only not be realied, but there is definite evidence that the conditions of the automobile industry will become still worse. *The Annalist* further had to say:

> "Conditions in the automobile industry may reasonably be considered rather threatening. For the remainder of this year, at any rate, it seems clear that the manufacturers will be able to sell only a very moderate percentage of their out-put capacity."

The decline in the production of iron for the first seven months of this year was 17.8 per cent compared with the same period of

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1929. Production of steel ingots for the seven month period ending July 13, 1930, was 26,726,598 tons, compared with 33,886,857 tons during the corresponding period of 1929, showing a loss of over 21 per cent. At the present time, the steel industry in the U. S. is operating at 52 per cent for the country as a whole.

Another sign of the worsening of the economic conditions and the deepening of the crisis is our foreign trade. Foreign trade during the month of July declined heavily. The value of our exports declined $133,811,000, from a year ago, while the value of imports has been reduced by $133,960,000; while the foreign trade of the U. S. during the first half of the year shows a decline in the value of exports in the amount of $643,326,000 and the value of imports, $342,665,000.

The economic crisis in the United States becomes still sharper by the chronic agricultural crisis which became more severe as a result of the consquence of the drought.

American capitalism is reaching a stage where one of its leading imperialist spokesmen, the well-known banker, Otto H. Kahn, had to sound warning of the stagnation that is developing within American capitalist economy and proposed to limit the development of the technical forces of capitalist economy. In a letter to the New York *Times* of June 30, Kahn writes:

> "I think progress even in the best of causes, must be tempered by wise restraint and must be reasonable in its 'tempo.' I think we went too fast with the result that apart from other temporary maladjustments, we have caused to a regrettable and troublesome extent, what is termed 'technical unemployment.'"

Every month as the crisis grows and develops, American capitalism is more and more exposing its parasitic nature and signs of decay.

Capitalism is trying hard to find a solution for the present crisis. Its solution, however, can only be a capitalist solution. The Labor Bureau, Incorporated, one of the most conservative research institutions supported by the American Federation of Labor was forced to admit in its July bulletin that "the wage truce supposed to have been agreed to by employers at the Hoover conference early last winter has been violated by reductions in pay." Not taking into consideration the part-time employed, the Labor Burea states that for the month of June, the amount of employment declined 13 per cent from the same month a year ago. However, if we shall take the total number of hours worked, we will certainly find a still more drastic downward curve of employment. The most drastic wage cuts that must draw the attention of the American working class

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was given the hosiery workers who struck under the leadership of the Muste-controlled Full Fashioned Hosiery Workers Union. After a strike of many months, the full-fashioned hosiery workers in Pennsylvania were betrayed by the American Federation of Full Fashioned Hosiery Workers and a 20 per cent wage cut was forced upon them by Budenz, Muste and the leaders of the Conference of Progressive Political Action.

The Standard Statistical Company, one of the most authoritative research and statistical institutions in the U. S. had to admit, ". . . . that wage reductions by both direct and indirect methods have been fairly numerous during the last months."

The working class, of course, does not remain passive to this campaign of wage cuts and lowering of the standards of living. We therefore find throughout the entire country spontaneous strikes by departments and entire factories against wage cuts. The slogan of the revolutionary movement must be today, "Organize and Strike Against Wage Cuts!" The struggle of the workers against the capitalist solution of the crisis must be organized. The organization of this struggle first of all demands the building of shop committees on the basis of the united front with the masses of workers in the shops.

* * * *

As a direct outgrowth of the economic crisis and the growing radicalization of the working class is the mounting wave of white terror and lynchings of colored workers. To date, for the year 1930, 21 workers were lynched. Lynching is now openly adopted as a definite policy of the master class to prevent militant action on the part of the Negro and white proletariat. The capitalist judicial machine openly refuses to convict any fascist terrorist agents of the bosses on the charge of lynching. In the case of the two lynchings in Marion, Indiana, Harley Hardin, the prosecutor for the state, openly stated that those responsible for the lynching will not be convicted. He said, "I might get indictments, but I doubt very much that I could get a conviction." It is here worth while to mention the statement of Senator Simmons of North Carolina, who stated, "When I will have to choose between a white woman and the constitution, I will say, to hell with the constitution!" This in itself is only an endorsement of the Democratic Party to the policy of lynching and terror of Negro workers. The U. S. district court in El Paso, Texas, approved the Jim Crow primaries and prevented Negroes from participating in these primaries. With the growing of the crisis, the sharpening of inner contradictions of American

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capitalism, the wave of lynching and terror against Negro workers as well as white workers will increase still further.

* * * *

The growing economic crisis will no doubt have great political repercussions upon the present administration. One must remember that this year the elections take place in a year of a serious economic crisis. The illusions of the Republican Party as the party of continued prosperity have been destroyed by the very economic developments of the last year. The Republican Party stands before the masses today as the Party of growing unemployment, wage cuts and terror against the workers. The Republican Party has nothing to offer today to the working class. It has no solution for the unemployment situation. Its solution can only be a capitalist solution, wage cuts, more speed-up and more intensive exploitation of the working class.

However, the Hoover administration and the Republican Party are now appealing to the workers on other fake issues, in order to gain their support this coming November. The Hoover administration is forced to admit that the country is going through a "depression", that there is unemployment, but they say this situation could have been worse, if not for the Republican Party that averted a disaster. The New York *Times* in an editorial of July 19 stated, "Mr. Hoover's contribution to the maintenance of social stability cannot be overlooked. . . . Mr. Hoover's guidance at a critical moment played its part." The character of this so-called "social stability", however, is well-known to the workers and farmers of this country. The rule of Hoover is today being expressed in more unemployment, more wage cuts and attacks upon the workers. The Republican Party will also of course appeal to the workers of this country to support them on the basis of its "peace" and "disarmament" policies, which is expressed in concrete terms of a billion dollar navy and in a rapidly growing armament race.

Its farm relief resulted only in relieving the farmers of their land, in expropriating their property and in giving subsidies to the grain and packing trusts and their "co-operatives".

The Democratic Party also has no program to offer to the masses. The Democratic Party is, of course, utilizing the economic crisis to make political capital for itself in the coming elections. One of the leading theoretical lights of the Democratic Party, C. G. Bowers, in the editorial section of the New York *World* on Sunday, July 27, clearly states, that the Democratic Party has today greater opportunities to regain its majority in Congress and the

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Senate if it will only skillfully utilize the present economic crisis. "Never has a party of the opposition had such an opportunity for an aggressive fight. It had less of an opportunity 20 years ago, and it made the most of it by taking the offensive." Leading spokesmen of the Democratic Party in order to mislead the workers and win their support are now coming out for unemployment relief and in many case, for social insurance. The so-called "progressive" governor of the state of New York recently even advocated health insurance. The political machine of the capitalist parties recognize the growing radicalization of the masses and their discontent with the capitalist parties and are therefore trying to advance working class demands and even speak with radical phrases. We, of course, must see the danger involved and take energetic steps to expose these schemes of the capitalist class and at the same time intensify our campaign for social insurance and for the organization of the uuemployed into councils.

* * * *

As a means of preventing the masses from real revolutionary struggle under the leadership of the Communist Party, the bosses gave a warm welcome to the Socialist Party in the present election campaign. The Socialist Party is now entering the election campaign without any program to offer to the working class. Its demands are, "clean and efficient government"; its leading candidates like Jim Maurer, are now parading for more efficient police forces and advertise their love for the cops. Maurer only recently stated:

> "Since I have been in City Hall (Reading, Pennsylvania, councilman), I have been drawn close to our city police force and am proud of it. The contempt I had for cops when I was young has changed into a real admiration for the men who uphold the law."

The Socialist Party is also parading its demands for social insurance and unemployment relief. It, however, tells the workers that the funds for social insurance and unemployment relief is to be paid by the workers and not by the bosses.

The announcement of the Socialist Party that Norman Thomas and Heywood Broun would run for Congress received enthusiastic reception in the capitalist press. The New York *World* in an editorial of August 12 also commented by stating: "The announcement by Norman Thomas that he will accept the Socialist nomination for Congress to represent the 6th district in Brooklyn, is welcome news". All the capitalist press clearly recognizes that a vote for Norman Thomas will not be a vote for the Socialist Party or

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anything that has something in common with socialist principles, but simply a vote in support of a popular man with a very good character. The *Herald Tribune* on August 12 writes that "by study and by sheer sincerity and force of character, he (Thomas) has made himself, without ever filling public office, a distinguished public servant of the city."

This year, more than any other time, the Socialist Party is playing the role of the third party of capitalism. We, however, must view the Socialist Party as an important factor in the coming elections, not because of its class struggle program, but because of its role as an agency of capitalism within the ranks of the workers, parading with revolutionary phrases. The Socialist Party, as well, will try to utilize the great radicalization of the masses for its political purposes and this, therefore, again makes the Communist Party face the problem of even more determined and effective struggle against the Socialist Party and to expose its social-fascist policies before the masses.

The Socialist Party in America is trying hard to follow its brother parties in the other countries. However, the socialists are forced to recognize that the workers begin to see their role and are turning against them. Of great significance, therefore, is the article of the leading German socialist, Reinhold Neibuhr, who in his correspondence to the *New Leader* of August 16 was quite alarmed of the great possibilities for the Communists to come out victorious in the coming Reichstag elections in Germany. He also explained why. He states:

> "In its contest with Communism, German Socialism works under the disadvantage of having worked for international conciliation within the terms of the Versailles treaty which means that it has voted for the Dawes Plan, the Young Plan and the other arrangements which have fastened the impossible reparations load upon the German people. This load is carried chiefly by the German worker and makes the argument of the Communist rather plausible that the Socialist has helped to make the German worker the slave of international capital."

Well, this admission of treachery was long ago established by the Communist Party of Germany, and is well-known to the entire German working class. Only because of the direct help of the German Socialist Party was the Young Plan able to be imposed upon the shoulders of the German workers. The Socialist Party is now facing the consequences of this social imperialist policy. The Communists have forseen that German capitalism will not be in a position uninterruptedly to squeeze from the German working class

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milliards of marks in reparations and consequently, the German working class under the leadership of the Communist Party will revolt against their "own" imperialists and their allies, the German Social Democratic Party.

This was clearly brought out in the report of Comrade Stalin to the 16th Congress of the Communist Party of the Soviet Union, where he stated:

> "To believe that such a situation will entail no consequences for international capitalism is to understand nothing whatever about life. To believe that the German bourgeoisie will be in a position to pay 20 milliard marks within the next 10 years and that the German proletariat left to carry the double yoke of its "own" and "foreign" bourgeoisie, will permit these 20 milliards to be squeezed from its veins without serious revolts and convulsions, is to take leave of reason altogether."

Because of their treachery and social fascist policies, the socialists now openly admit that the Communists will no doubt gain a great number of these workers who supported the socialists in the previous elections. Mr. Niebuhr stated in the same correspondence, ". . . . the Communists will probably gain strength in the election, while the socialists may lose some votes to the Communists an eventuality which the desperate unemployment situation makes very probable."

The working class has learned the role of social fascism not only thru their experience in the class struggle at home, but also thru the imperialist policies followed by the entire Second International in the colonial countries. The imperialists powers have hoped that by turning over the official power to the socialist and labor governments they will be able to prevent the growing revolutionary struggles in the colonies. The results, however, are just the opposite.

The working and peasant masses of India had an opportunity to see the socialist labor government in action. The revolutionary struggle in India is growing side by side with the class differentiation in the movement for national liberation. According to dispatches from the London correspondent to the New York *Times*, we learn that Ghandi definitely capitulated to the Viceroy. Such was the expected end of Ghandi and the Indian National Congress, whom Messrs. Lovestone and Roy considered as "the symbol of the revolutionary struggle in India."

While the national bourgeoisie is openly betraying the revolutionary national independence movement, we on the other hand, see the masses of the oppressed peasantry and the tribes of the northwestern frontier organizing active military encounters with

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McDonald's Royal Air Force and troops. Yet on July 19, the acting president of the Indian National Congress, Vallabhal Patel, stated:

> "We have no quarrel with the Englishmen or with England, all we want is the definite promise that our demands will be met and when this promise is given, I am prepared for a compromise."

The Communist International has warned of the betrayals of the bourgeoisie and pointed out that only thru the alliance of the working class and peasantry fighting under independent revolutionary leadership, can Indian independence be won and British imperialism driven out of India.

The revolutionary struggle of the colonial peoples fighting against their native national bourgeoisie and their foreign imperialists is marching forward. The Chinese events definitely prove this. The bourgeoisie which considered the revolutionary peasant armies under the leadership of the Chinese Soviets and Communist Party as bandits, are now forced to recognize that they are well organized revolutionary movement, with a fighting revolutionary program. The capitalist press, like the New York *Times*, was forced to admit on August 4 that "Chinese Communists have ceased to be merely roving bands of thieves and lawless soldiery, instead they are genuine converts to Russian Communism."

Only the counter-revolutionary Trotzkyites still want the working class of the world to believe that the revolutionary peasant's army and the Chinese Soviets are "merely bands of guerillas without any revolutionary significance." The New York *Times* correspondent, H. Abend, in a cable from Shanghai of August 7 had to admit that the Communist movement in China is growing, the Chinese masses are turning to Communism against their native war lords supported by foreign imperialism.

> ". . . The growth of the Communist menace on the Southern bank of the Yangtze River is occasioning grave concern to all Chinese political factions here. . ."

It is evident that the Chinese masses do not expect any change for the better with the victories of the Peking Coalition. In fact, the northern war lords rushed to assure the imperialist world that they, no less than Nanking and Chiang Kai Shek, are against the Communists. In fact, the leader of the Northern Coalition, Chang Fai Kvei, stated that the Communists are the greatest menace and, therefore called upon all military factions to unite to destroy Communism in China. This is not accidental. It is a direct result of the

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influence of the Communist Party, of the existence of the Soviets and of the recognition of the Chinese masses that the driving out of the imperialists from China can only be achieved under the revolutionary leadership of the Communist Party.

The masses of China thru their bitter experience have seen that neither Chiang Kai Shek nor any other militarist war lord can achieve the unification of China, develop its economy, solve the agrarian revolution and improve the conditions of the masses. The much-boasted unity of China of Chiang Kai Shek fell flat. The antagonisms of the various imperialist powers in China demand a continuous warfare between the various military groups and makes impossible any unification of the antagonistic class forces in China. The crisis in the capitalist developed countries, greatly affected the colonies. The sharp decline of prices actually ruined tens of thousands of small producers and shattered the economic life in the colonial countries.

On the basis of their bitter experience, the Chinese masses have learned that the only form of power and government that can defend their interests is the Soviets, and the only program they can follow is the program of the Communist Party. Because of the determined revolutionary struggle of the Chinese masses, directed against both their native militarists and foreign imperialists, the imperialist world powers have already initiated direct military interventions. American imperialism, while it bitterly fights against any attempt of the American workers to learn from the revolutionary experience of the Russian workers, at the same time, sends armies, ships, munitions, airplanes, to Chiang Kai Shek, to defeat the other military war lords—tools of imperialism—and to suppress the revolutionary movement in China.

The revolutionary struggle of the colonial people is deepening the crisis of world capitalism. The fact that half of the world's people is revolting against imperialism, is boycotting or unable to buy their products, seriously affected the super-profits of imperialism. The well-known correspondent, Otto W. Kibby, of the New York *Evening Post* stated in one of his correspondence: "Semi-revolutionary movements in various parts of the world are playing a considerable part in the sentiment that trade depression is quietly drifting from bad to worse."

At the same time, the antagonisms between the imperialist powers themselves are continuously reaching higher proportions, especially between the United States and Great Britain. The announced visit of the Prince of Wales, the commercial salesman of British imperialism to Latin America, stirred up the imperialist

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interests of the United States. The visit of the Prince of Wales is to win back for Great Britain its leading financial position in Latin America. The imperialist rivalry between the United States and Great Britain in Latin America is heading to an inevitable armed clash. One of the leading Wall Street experts on Latin America, Max Winkler, vice president of Bertson, Griscom & Company, stated:

> "It is reasonable to expect that the United States will not stand by idly while Great Britain will strive to regain the leading position in trade with the Argentine Republic. The days immediately following the war are gone and with them is gone the ease with which we conquered new markets. We were alone in the field. Today, there are others and we must be equipped to meet and depend for victory only upon our ability to outdo our rivals."

The language and the policy proposed here is very clear. Only a conscious traitor like Henderson, the Labor Foreign Secretary of England can state, "In all things, we desire to seek peace and insure it. I believe that is the aim of every government throughout the world, whatever its political color or complexion." This is a conscious policy to prevent the workers from recognizing the war danger and mobilizing against imperialist war.

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An Examination of Our Failure to Organize the Unemployed

By C. A. HATHAWAY

"The number of workers employed in the factories of New York State was less in July than it has been at any time since the index series was started in June, 1914."—*Wall Street Journal, Aug.* 13, 1930.

UNEMPLOYMENT in the United States as a whole is steadily increasing, though the tempo of this increase may vary somewhat in different industries and in the several sections of the country. In New York State, according to the latest figures available (and coming from bourgeois sources they certainly are not exaggerated), factory employment decreased in July by 4 percent as compared with a normal seasonal decline of 1 percent, bringing the total number of employed factory workers down to the lowest point since June, 1914. And to properly evaluate that fact one must bear in mind the very great industrial expansion which has taken place since 1914! Figures for the industrial states of Ohio and Illinois, as well as those given out by the A. F. of L. show a continued and general downward trend. United States Department of Labor statistics for the country as a whole in July show a decline of 3.9 percent in the number of workers employed in the nation's manufacturing industries.

Furthermore all signs point to a continued deepening of the crisis, and with it a futher increase in unemployment. Here, inasmuch as it is not our purpose to write on the crisis, we will point out only two major factors which justify that conclusion.

NARROWING FOREIGN MARKETS

The foreign market of the American capitalists is being further narrowed primarily by the spreading and deepening of the economic crisis internationally and to a lesser, though important extent by retaliatory measures against the Smoot-Hawley tariff schedules. The crisis, which months ago had the colonial countries, Japan, Germany, Poland, and other Eastern European nations in its grip, has now completely embraced Great Britain and Italy, and is rapidly involving France and the Scandinavian countries.

The exports of the United States, which have been falling continuously throughout the year, dropped $98,089,224 in June this

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year as compared with June a year ago. Here it is significant to note that only to the Soviet Union did America's exports show a substantial increase during the past year.

The spreading of the economic crisis in the world's capitalist and colonial countries, accompanied by vicious attacks on the living standards of the masses, by a sharpened struggle between the imperialists for control of the ever contracting markets, and by the rise of revolutionary movements which greatly limit the possibility of extensive and profitable commercial activities, will all have the effect of further cutting down the foreign trade of the United States.

Inner Markets Restricted

The internal market is being simultaneously narrowed by the further restricted purchasing power of the masses as a result of the present nation-wide slashing campaign, the extensive mass lay-offs, and the constantly growing part-time employment in all the principle industries. All of the steel mills, for example, are working with greatly reduced crews, but 47 per cent of all the mills, in addition to heavy reductions in the force, are working only half time or less. In the automobile industry plants are operating two, three, and four days a week despite the heavy lay-offs. This means that while the unemployed workers have entirely lost their purchasing power, that of the workers supposedly still employed has been cut down to a very great degree.

Added to all this, as a further factor narrowing down the internal market, is the deepening agrarian crisis now further accentuated by the drought over wide agricultural areas. The drought "relief" proposals of the Hoover administration are designed to aid only those farmers who can give security to cover the relief loans, which means only the rich farmers, while the mass of tenant and poor farmers who are already mortgaged to the limit will get no relief and will be forced off the land by the thousands into the cities to join the ranks of the unemployed.

All of these factors, while by no means indicating that the capitalists, if left to themselves, could not solve the present crisis (at the expense of the workers, of course), clearly show that the crisis still has a long course to travel and that there will be a much greater increase in the army of jobless workers.

Mass Suffering Grows

But for the purpose of this article we wish to place the emphasis on the fact that mass unemployment, already involving at least 8,000,000 workers, has been a chief characteristic of the

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crisis situation in the United States for months past. Hundreds of thousands of workers have been uninterruptedly jobless over periods from two or three months up to eight or nine months. Additional hundreds of thousands have been snatching up an odd job here and one there in an effort to eke out the scantiest possible livelihood.

Especially since last fall the conditions of the masses have been becoming constantly worse. All their reserves have been used up. Their limited savings, if they had any, were long ago spent. Their credit with the corner grocery store and with the landlord is exhausted. Many thousands are daily being evicted from their homes. Actual starvation exists for these workers. Suicides, admittedly due to unemployment and poverty, are daily recorded in the newspapers of every industrial city. Every day, as we approach nearer to fall and winter, will see the conditions of the unemployed becoming worse.

Simultaneously with the growth of suffering and dispair among the unemployed workers goes the impoverishment of the workers still desperately clinging to their jobs. Long enforced vacations and part time work have reduced their incomes far below the subsistance level. Widespread wage cuts are still further driving down their already too low living standards. The ever faster pace at which they are being driven by various speed-up systems, the introduction of which are now made possible by the jobless army lined up at every factory gate, is destroying their health and increasing the number of accidents thereby increasing the number of wageless days away from factory.

Communists Must Organize Workers

Plainly in such a situation it is the duty of the Communist Party and the Trade Union Unity League to organize and ideologically prepare the workers, both employed and unemployed, for struggle against such unbearable conditions, not to speak of our task as revolutionists to utilize such a situation to develop the revolutionary consciousness of the masses.

But what, until now, have we actually accomplished? We must frankly reply that our accomplishments have been entirely inadequate. They have not measured up to either the needs or possibilities of the present situation.

Has this been due to lack of effort on the part of the Party and the TUUL? No, we think not! It has been due rather to a lack of sufficient political clarity and to a failure to develop proper methods of work.

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Prior to and in preparation for March 6, for example, intensive activity was carried on among the unemployed. Hundreds of meetings were held. Millions of propaganda leaflets were distributed. The beginnings were made in the establishment of an organized unemployed movement.

These activities clearly established the Party's hegemony over the unemployed masses. The response of over a million workers on March 6 to our call for struggle proved conclusively the willingness of the masses to fight under our leadership against the capitalists and their government for "Work or Wages".

No Continuity In Our Work

But after March 6 the work was not continued with the same intensity. The conference in New York, while setting the date for the Chicago Convention, did not add stimulus to the organization of local unemployed councils. From the New York conference until a few days before July 4 no organizational activities were carried on.

Immediately before the Chicago July 4 convention a slight spurt could be seen in the work. But again after the convention, which with its 1,300 delegates, mostly non-Party from basic industrial centers, should have greatly accelerated the organization work, we find an almost complete stoppage of work prior to August 1.

In the preparation for May 1 and August 1 there was an almost universal failure to link up the struggle of the unemployed and the actual organization of unemployed councils with the preparations for these demonstrations. There has been too much of a tendency to look upon demonstrations merely as a thing in themselves with the result that after successful demonstrations we have been no stronger organizationally than we were before the demonstration was held.

Now, despite millions of leaflets and hundred of meetings, not to speak of the half-dozen demonstrations in every city, organized unemployed councils are almost non-existent. The writer, in a tour covering the Philadelphia, Pittsburg, Cleveland, Chicago, and Buffalo districts, found that nowhere had any advances been made organizationally among the unemployed between July 4 and August 1. In fact in all districts there had been a distinct decline.

Examine the Cause!

What is the cause of this situation? Can we smuggly boast of our "great" and "growing" political influence among the unemployed and explain our failure to organize the unemployed workers

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by talk about some vague, indefinite "organizational weakness"? Can we talk of the "disparity between our organizational strength and our political influence" in such a manner as, not to alarm the Party, but to almost make it an excuse for our failure to actually organize the Trade Union Unity League and the Unemployed Councils?

No, comrades, the situation requires more than phrases. A serious examination of our work is necessary.

First it must be clear that there is a very great danger of the Party and the TUUL losing the influence which they won among the unemployed by their activities prior to and on March 6. The masses turned to us, not because they liked the color of our hair, but because we were first and most aggressive in giving expression to their demands and in organizing their struggle. Their interest in us continues only so long as we continue as their organizer and leader in the fight which they, being on the verge of starvation, have to make.

Opportunist Underestimation of Crisis

And this very fact many comrades do not realize. There is very plainly a widespread opportunist underestimation of the crisis, of its effects on the workers, and of the growing determination of the workers to fight back. Certainly no one will deny that this opportunist underestimation, which is shown in every district by the slowness with which work among the unemployed has been undertaken and the almost complete neglect of this work except for the sporadic activities around March 6 and then around July 4, is the basic cause for our weaknesses.

Closely connected with this is another deep-seated opportunist tendency in the Party, namely the tendency to continue the old policy of bluff, exaggeration and record making inherited from the Lovestone regime. Many comrades, not seeing the correctness of the Central Committee's analysis and directives in the present situation, accept them formally and then proceed to exaggerate the successes achieved without any feeling of class or revolutionary responsibility.

A second major political weakness in our work in this field (as well as in all others) is our failure to develop sufficient political concreteness. The general agitation slogan: "Work or Wages", put forth during the first stages of our work, was, when used by itself, insufficient. And because it was not further concretized much confusion developed in the work.

Our comrades deal entirely in generalities. All leaflets and all

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speeches are stereotyped. Crises, war, contradictions, colonial revolts, defense of the Soviet Union, etc., too often become merely a string of phrass having no connection with the class struggle in a given locality. Because unemployment is inheritent to capitalism, comrades conclude that the workers cannot even force the capitalists to grant certain relief measures, so the speeches become merely speeches for a workers' and farmers' government. The fight for immediate relief, against evictions, for free lodgings, etc., with the workers' Social Insurance Bill as the highest expression of these concrete demands, is generally not undertaken. For example in New York City, where from 5,000 to 10,000 workers are lined up daily before the municipal free employment bureau fighting with each other for jobs, and where in four days only 210 jobs were given out, the comrades of the Party and TUUL have done nothing until now to reach these workers.

There is also the opposite tendency manifested, that of putting forth only a few simple demands in a purely reformist manner. Soup kitchens, free lodgings, etc., for a few comrades, become the objective of the campaign.

Great Organizational Weakness

The organizational weaknesses of the Party, which of course are inseparably bound up with the political weaknesses just indicated, are extremely great. For the sake of brevity we will point out only the following:—

1. Confusion with regard to territorial and industrial unemployed councils and the relation of each to the TUUL.
2. Mere agitational mass meetings, with no real efforts to set up an unemployed council.
3. No systematic, planned struggle for the demands of the unemployed.
4. No continuity in our work (an agitational meeting in a neighberhood or before a factory today, and then nothing for a month.)
5. Failure, primarily because of the lack of planned, continuous work, to draw the non-Party unemployed workers into the struggle.
6. No regular meetings of councils after they were organized.
7. No. functioning central bodies maintained in the various localities, with the result that all unemployed activities in their most minute details are decided upon by Party committees.

These "organizational weaknesses", are not merely due to lack of experience; they are primarily due to the fact that the Party is too slow to fully grasp the significance of the new situation in the

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United States, and too slow to utilize the opportunities which this situation affords for the transformation of our Party from a propaganda Party to a mass Party. We persist in purely agitational and propaganda methods of work long after the need and opportunity exists for us to become the actual organizer and leader of the mass struggles of the American workers.

Changing Methods of Bourgeoisie

Our slowness in overcoming these organizational and political weakness, together with a change in the methods of the bourgeoisie are responsible for the present weak position of our unemployed work. The policy of the police in permitting demonstrations but smashing all preparatory work at the shops and factories, the increased number of arrests in all districts, the boycott of our activities by the bourgeois press, plus the activities of the A. F. of L., the socialist party and the liberals are all factors retarding our organization work, i. e. by the old methods.

Of these, by far the most important factor is the growing activities of the fascist and social-fascist labor leaders and of liberal groups. Last spring we were the only ones who concerned ourselves with the issue of unemployment; it was we who forced this problem to the attention of the country. But today, primarily because of our activities and influence among the unemployed, a new situation has developed. In Boston Mayor Curley invites the A. F. of L. to take up a fight for the unemployed. In Chicago, with the aggressive support of the bourgeoisie, the A. F. of L. has organized a counter-demonstration on September 1 in the Chicago Stadium ostensibly for "unemployment relief", but actually to prevent the masses from turning to us for leadership in a real struggle for the workers Social Insurance Bill.

The socialist party has announced that unemployment will be their chief issue in the election campaign, and to win the masses away from us they will have the full support of the bourgeois press. This is already shown by the vast amount of favorable publicity given to their platform and candidates in the New York City papers.

In Detroit the petty shop keepers, themselves greatly embarrassed by the destruction of the workers' purchasing power, are circulating petitions to place a fake unemployment insurance bill on the ballot in the fall elections in Michigan. Similar bills are being brought forward by petty-bourgeois and liberal elements in practically every state.

Their activities must arouse our Party to the seriousness of the

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situation. We must once and for all recognize that, while these elements cannot and will not bring forth proposals or lead a struggle in the interests of the workers, nevertheless, under the guise of fighting for the workers, they can take advantage of our weaknesses and organize the workers against us, if only for the purpose of betraying them.

A Program of Action Needed

We are now faced with the immediate task of very quickly overcoming all opportunist tendencies and organizational weaknesses, and actually organizing the unemployed workers for common and continuous struggle with the employed against the bosses. This means the working out of a plan of action which simultaneously provides for the building of the Unemployed Councils, the TUUL, and the Party on the basis of continuous and persistent struggle against wage cuts, for the 7-hour day, 5-day week, against evictions, for free rent, for immediate relief, for the workers' Social Insurance Bill, etc. These issues must also be the central demands of the Party in the election campaign, which must be a co-ordinating campaign uniting and centralizing—bringing to a head—all other activities of the Party and auxiliaries.

This plan of action must be very concrete. It must provide for concentrated work in particular industries and sections. It must concentrate all the forces of the Party, the TUUL, and the unemployed councils at specific places on specific tasks at the same time. The old policy of assigning two or three comrades to the task of building the TUUL and the unemployed councils must be discontinued. The task, under this plan of action, of building these organizations must be made the major task of the whole Party. To this end the Party fractions must be activized and mobilized 100 per cent.

Together with this plan of action, which incidently should cover the period of the next three months, there must be worked out a calender plan on a week to week basis that will state exactly where activities are to be carried on, at a certain time, on a certain day and what forces are to be responsible for carrying through this action. This is absolutely necessary to overcome the irresponsibility that now exists in our Party.

The central point in the plan of action shall be the struggle for the workers' Social Insurance Bill. The widest possible propaganda campaign must be developed exposing the fake bills of the reformists and popularizing the Bill of the Communist Party. This bill, however, must not be used by itself; it must be linked up with

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the preparation of strike struggles against wage cuts and the speed-up in the factories; it must be brought forward in connection with the struggle against imperialist war, for the defense of the Soviet Union (all of which is possible as the bill is a concretization of the slogan: "Not one cent for armaments; all funds for the unemployed") and for the support of the revolutionary movements in the colonies; it must be supplemented by the development of struggles for immediate relief for the unemployed, for free rent, against evictions, etc., which will broaden out the mass fight for the bill.

The election campaign of the Party will occupy the center of the stage after September 1. The struggle for the Social Insurance Bill therefore becomes a struggle to win the masses for the Communist election campaign. But throughout this entire period every effort must be made to establish ourselves organizationally. The building of shop committees of the TUUL unions and the building of unemployed councils must receive the maximum attention. The election campaign, regardless of how many votes we get, cannot be considered a success unless as a result of it the Party, the TUUL unions and the unemployed councils are organizationally strengthened.

By getting away from general phrases, by developing systematic, planned work, by concentrating at specific factories and in specific sections of cities and there developing continuous day to day work, and by drawing the masses themselves into activity, we can, in the present favorable situation, greatly multiply the membership of the Party and of all revolutionary workers' organizations. Old methods of work have to be scrapped; new methods have to be developed —this must be the principle lesson of our unemployed work of the past few months.

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The Struggle Against Capitalist Rationalization

By JAMES BARNETT

THE problem of capitalist rationalization holds a crucial place with reference to class forces because it brings out and sharpens the fundamental contradictions of capitalism. On account of this and the fact that capitalist rationalization is the spear-head of the attack upon the workers, our struggle against it becomes a revolutionary one. It is no accident, but very significant that only the Communist parties and the Red unions lead the counter-offensive against it. With this sharpened situation bound up so closely with the elemental reaction of the masses, capitalist rationalization and our fight against it become powerful forces for awakening the class consciousness of the proletariat and of placing the revolutionary vanguard in a greatly extended and heightened leadership.

The political awakening of the masses is facilitated in two ways. First, capitalist rationalization means a direct attack upon primary needs and a beating down of the conditions of work. The struggle against it springs from harsh grievances of the masses. They are deeply agitated over the hated "speed-up," as it has been labelled by them. Most, if not all of the recent strikes in southern textiles have involved demands against the "stretch-out." A wide-spread mood of resentment is surging among the workers.

It is precisely such situations as this which Lenin taught us to seize upon. By giving voice to the movement of the aroused workers, we speak their mass desires, we become their mass leader. The unemployed have been rallied by our slogans of Work or Wages and for Social Insurance. For the employed workers the speedup is one of the most burning issues. There is no doubt as the CI and the RILU recognize, that the fight against rationalization will hold the central place in the class struggles immediately before us. It is crucial that we realize the full significance of these facts, and the possibilities which exists for the great political awakening of the workers.

Secondy, class consciousness and political understanding are more readily stimulated, because, rationalization brings about such a concentration of capitalist antagonisms that the true nature of the parasitic system of exploitation is much more clearly disclosed be-

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fore the eyes of the working class. This leecherous system can be more easily unmasked in all its rawness.

But we can scarcely make clear to the laborers what capitalist rationalization is, while we still say and write that it is the introduction of machinery, or that it is the use of chemicals to melt snow, and so on. This leads to stultifying confusion which must be decisively eradicated if we are to lead the masses in their struggles against it.

The main confusion lies in the idea, fostered by the bosses, their agents among the workers, and bourgeois and "progressive" labor economists, that capitalist rationalization consists of reorganizing industry in order to increase efficiency. They say that rationalization is the introduction of new machinery, or the renovation of machinery, or the elimination of waste, or standardization, or simplification, or the combination of plants, or trustification, or some other means which increases efficiency or eliminates labor.

The acceptance of any of these definitions leads not only to confusion but to a practical abandonment of the struggle against rationalization. For what class conscious worker will misdirect his efforts by mobilizing a struggle against methods which actually do increase efficiency, such as, new machinery, elimination of waste, or renovation of machinery. Class conscious workers do not fight machinery. As a matter of fact they see in it a means of freedom rather than of slavery when once it is organized under a socialist system of economy. It is the system of capitalist ownership and exploitation that we fight.

What is the actual situation concerning increased efficiency and capitalist rationalization? There is no doubt that some increased efficiency comes about in this process. But we must remember that rationalization is carried out in whole industries. Or, if rationalization methods are introduced at first in only part of the industry, competition tends to force it upon the remainder. Therefore concerning any increased efficiency which may be introduced, its ability to produce a higher rate of profit tends to be lost quickly. The tendency is to lower the price of the product rather than to increase the rate of profit. It is true that monopoly might for a time keep up the price, or that lowered prices might increase the absolute profit, or that wage cuts might give more profit. But the higher organic composition of capital tends directly to lower the rate of profit, and in the long run the increased efficiency may seriously cut down profit.

This tendency for a reduction of profit rates to take place in connection with greater efficiency leads to a drive on the part of the profit hounds to speed up the workers or lengthen hours in or-

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der to squeeze out the regular or even greater profit rates. Greater efficiency is a powerful spur to the bosses to increase their exploitation. It is exploitation which we fight and not the more advanced technique.

THE SYSTEMATIC SPEED-UP

However, capitalist rationalization is not primarily for the purpose of increasing efficiency, but for the purpose of producing profits by driving the workers. Profits are produced out of the surplus labor of the workers, an increase in the intensity or speed of work is a direct and sure way of swelling profits. Capitalist rationalization is a systematically planned scheme to reorganize labor processes for the special purpose of driving and speeding the workers to the limit, and thus increasing profits. This is a bald method of exploitation, but the capitalist system is merciless.

Even the political henchmen of the capitalists speak in no uncertain terms concerning the systematic speed-up or rationalization. The Hoover report on recent economic changes, during the "prosperity period," states, that it is "in the *great acceleration* . . . that we find the key to the understanding of our recent expansion." And "*an intensification of activity*" was taking place "rather than any fundamental change." (emphasis mine J. B.) Numerous representatives of industry and finance are equally emphatic that there was "no development of new productive processes during the period. (1922-27)"

The bourgeoisie know how it is done. Hoover's report says, "the control of production which is being secured through the aid of mdern material-handling machinery (speed-up methods—J.B.) is probably the *greatest single improvement* which has come in the technical operation of manufacturing establishments since 1919." (emphasis mine—J.B.) This is the heart of capitalist rationalization. This speed-up equipment has "set the pace of the production process" and acts as "the pace-maker for the speed of production." Here are the mechanical slave-drivers which beat the workers on to exhaustion. The U. S. Bureau of Labor also clearly emphasizes this tendency of industry "to push production to the highest possible point by improved machinery, new mechanical appliances, conveyors, power hoists, power trucks, and by speeding up the workers."

These facts and statements blow sky-high the lies of Lovestone and Co., the yellow socialists and "progressive" labor economists that capitalism is begining a "New Industrial Revolution," that we have "A New Growth of Capitalism." Evidence that the productivity of the "prosperity period" was squeezed out of the wage earner's

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toil instead of from new machinery is seen by the lowered rate of increase in the production of manufacturing machinery, and in the decided reduction in the rate of growth of fixed capital, i.e., machinery and buildings. Hoover's report states that the development of these last items has been "less active." American capital since 1922 has begun a slowing up—a reduction of, rather than a "New Growth."[1]

All these beautiful stories and confused hokum about capitalist rationalization are a complete wash-out; it is a direct cold-blooded attack upon labor. Belts, conveyors, and howling foremen drive the laborers until they are ready to collapse. In one riveting shop the workmen are even handcuffed to the machines to prevent accidents with the speed. In addition to the terrifically exhausting pace many other disastrous results go along with capitalist rationalization.

One of the first of these effects is increased unemployment. Already "normal" unemployment in the U. S. amounts to the great army of four million. Over 825,000 were permanently thrown out of industry between 1919 and 1927. Wage slashes go along with it. While temporarily there has been a slight increase in wages to those who still work, this is always far from being proportional to the increased amount of work done, and is sooner or later followed by wage cuts as in textiles, coal and the automobile industry.

When the speed and intensity of work becomes so great, it is impossible for the wage-earner to put in extremely long hours. Still we find that lengthened hours have often accompanied the speed-up. Hours in manufacturing industries show a general tendency to increase. Between 1920 and 1926 this amounted to one-half hour more per week. Those who cannot stand up under the terrific strain are kicked out into the street. The speed-up has also resulted in an alarming increase of severe accidents. And the average length of life of the worker is being shortened. As a matter of fact all along the line the results of capitalist rationalization are worsened conditions, greater exploitation, and a lowered standard of living for the working class.

In contradiction to this, capitalist rationalization has brought a great increase in production and productivity. The productivity of labor increased in representative manufacturing industries by over one half from 1919 to 1927. We see tremendous productive

[1] See a pamphlet by the writer on speed-up and labor (International Pamphlets, Pub.) for more extended treatment and factual material concerning capitalist rationalization.

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capacity combined with the restricted consumption and intensified misery of the laboring class.

In agriculture, capitalist rationalization is not being introduced for the reason that finance capital cannot bring about the preconditions necessary for the freer development of extensive large scale, mechanized farming, i.e., the nationalization of land and thus the abolition of absolute ground rent and landlord interests. Land nationalization itself is not a socialist measure and capitalism would be better off if this land-owning characteristic of feudal economy were done away with. But the capitalists are afraid to take such a step, mainly for two reasons. First they fear to disturb the "sacred right of private property," for it might not stop here but sweep on to the expropriation of the capitalists themselves. Secondly, it would be powerfully opposed by vested interests in land, which of course include numerous capitalists.

But finance capital finds ready means of exploiting the farmers by numerous forms of economic pressure such as rents, mortgages, loans, interests, monopoly prices for what the farmer buy and low prices for what he sells, competition, fake cooperatives and the like. Farmers and farm laborers are greatly aroused against the exploitation which they are forced to undergo and can be rallied according to their concrete grievances. But this problem cannot be gone into here. It is enough to say that we find fundamental antagonisms sharpening in agriculture as well as in industry.

The Historical Role of Capitalist Rationalization

The contradictions heightened by capitalist rationalization help to throw light on its historical role. From such facts we can lead the masses to greater political understanding by explaining the origin of this movement.

Historically it grew out of the first great crisis of world imperialism, the world war. It is true that every phase of this systematic speed-up existed previous to the war and has its roots in the industrial system. The basic aspects and fundamental characteristics of capitalist rationalization existed before the war as Marx showed. The only added or new feature which resulted from the war crisis is the wide-spread and systematically-planned character of it. Work process began to be reorganized in whole industries and even nationally according to a positive system with the clearly recognized and predominating purpose of getting everything possible out of human labor. So-called "scientific management," a familiar enemy of the working class, contained germs of the systematic speed-up, while conveyor system of "flowing work" multiplied the pos-

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sibilities a thousandfold. Rationalization is scientific management on a bigger scale and in a new skin.

The country in which the technical basis for rationalization had been developed to the highest degree was the U. S. But it was in Germany, a highly industrialized sector of capitalism, broken by the war, that the rationalization movement took form, and was forced upon the workers with the aid of the "yellow socialist" or social democratic class government. England, especially helped by the social fascist laborites, is trying to pull herself out of chronic depression by capitalist rationalization. Capitalists in other countries look to rationalization to help them resuscitate industry.

Historically, capitalist rationalization is thus a sign, not of capitalist strength, as social democrats would have us think, but a sign of sharper class struggle and a weakening and decaying capitalism. It is a supreme effort to recover, being put forward by world capitalism staggering from the cataclysmic crisis of its own contradictions. But this supreme effort only magnifies these very antagonisms from which it tries to escape.

Capitalism, whose life-blood is the exploitation of labor, is attempting to suck this to the last drop by the systematic speed-up. Only the force of the militant working class holds back its greed. Conditions are forcing the workers to unite and struggle and to see that there is no peace between them and the capitalist system. The heroic strikes of recent years mark their growing resentment. The great demonstrations of March 6, May 1 and August 1 are milestones on the battle front. The class struggle is sharpening at a quickened rate.

Also rationalization means such tremendous increase in production that imperialist nations get into fiercer and fiercer struggles for raw materials and for markets in which to sell these surplus products. Rationalization intensifies these very antagonisms which previously brought on the world war. The speed-up pushes us toward greater imperialist conflcts. Furthermore, rationalization itself is a means of preparation for war. It is advocated and put into effect for the purpose of placing the country on a footing for quick military mobilization. It gives surplus men, highly productive industries, great surplus production, and a great momenum toward world conquest by powerful capitalist groups.

In addition to stimulating all these opposing developments, the systematic speed-up has helped to land us in another serious and constantly deepening crisis. Thus magic rationalization which was to put capitalism back on its feet after the war, steadied it for a time, then delivered it a knock-down blow in the vitals.

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It is easy to see how the systematic speed-up helped to land us in this crisis. Industry produces "too much;" labor receives so little that it can buy but a small portion of what is made. Industries close down, the workers go without because they have produced so much of everything.

Now, with the present crisis, rationalization has openly bared its teeth and claws. More intense attacks are launched against labor with wage cuts, piece work, unemployment and all that goes along with the speed-up. A new and more intense wave of rationalization is upon us. This is the best capitalism can do. It is like a dope fiend, the sicker he gets the more dope he must take, until his final collapse.

Capitalism grows sick on rationalization, it is forced to take a stiffer dose. It is clearly impossible for the capitalist system to save itself. Rationalization has had in other capitalist countries, the same effects as in the U.S. Not only does it intensify international conflicts for raw materials and markets and lead to colonial oppression and colonial revolts but it also makes the struggle more severe and on a large scale within each country.

And like the dope fiend, capitalism in its final struggles becomes violent, it strikes out against labor and its own rivals with ferocious and desperate cruelty as well as with cunning deception.

Thus it is possible to show the contradiction which are powerfully concentrated in capitalist rationalization and its interlocking results. The truth of Marx's law of the concentration and accumulation of capital is written here for the eye of every worker to read. The great development of energy and potential energy of wealth and capital goes on side by side with a great and increasing reserve army of unemployed; the tremendous power of production along with starvation and poverty among the toiling masses; the powerful contradiction between the enormous growth of productive machinery with the tendency toward unlimited production, and the restricted consumption of the working population on account of its intense exploitation.

The resentment of those being driven is so intense, the contradictions of the capitalist system are so clearly in operation in an especially sharp form, that the proletariat of all countries, is rapidly turning to revolutionary paths. These paths lead to our Red unions and the Communist Party.

Class Against Class

Concretely the struggle begins with the everyday burning demands of the workers against the speed-up, against wage cuts, against

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longer hours, for safety devices, labor protection, accident compensation, wages for unemployed, social insurance, the 7-hour day, and equal pay for equal work with no discrimination on the basis of race, sex, or age.

From any of these immediate concrete demands the masses can be led to see that capitalist rationalization, the "white hope" of the bosses, has no better program than an intensification of labor's grievances against the system. Their struggle can be transferred to a more revolutionary one on a higher political level. We must learn this art. First against the speed-up, then against capitalist rationalization and the whole capitalist system, is the path over which the masses will follow.

The concrete struggle itself is a most powerful means of transferring the fight to a higher level and to a deeper understanding of the forces at work. The friends and foes of labor are clearly disclosed by their attitude toward capitalist rationalization. The forces of monopoly and the state are used to fasten the speed-up upon the workers. The capitalist government becomes more openly a fascist state, clubbing the workers into submission, giving the bosses full support in introducing the speed-up. This is most cleary seen in the South, where state and local militia and police are all mobilized to halt strikes and demonstrations.

Also all the enemies within labor's ranks are mobilized to aid.

The A.F.L. openly works in cooperation with the employers to introduce rationalization. It openly acts as a tool of the state and the bosses to keep down the revolts of the masses against such terrific exploitation. The red-baiting and union smashing work of Woll in the Civic Federation, of Green, and their henchmen is well known.

The Amalgamated Clothing Worker's union officials, while still mouthing socialist phrases, openly install speed-up schemes into the shops for the bosses. In Convention they proudly boast that when the bosses want increased productivity, they do not go to the efficiency engineers, they come to the Union! They claim that these speed-up methods are for the benefit of the workers! Their social-fascism is very thinly disguised.

The Musteites are another group of social-fascist betrayers. They sing loudly for the militant class struggle, but cooperate with such crooks as Fishwick and Farrington. They betray and run away from the Marion and Elizabethtown strikers. In the Hosiery workers' struggle the Musteites signed "stretch out" agreements. MacDonald is their hero. They throw dust in the eyes of the workers, on such vital problems as rationalization and speed-up. They are *not sure* concerning the effects of increased

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mechanization. "No general answer can be given," they say, to the question, "Does he (the worker) suffer more from fatigue or monotony than formerly?" They "do not know exactly what brought prosperity and what ended it!" They examine the increased productivity of the recent period of "prosperity," which even capitalist economists are forced to admit is mainly due to the speed-up, and come to conclusions which "indicate that labor does not necessarily benefit" from increased productivity, but their conclusions "do not mean that increased productivity is a bad thing for labor." (Their pamphlet on labor's share.) This is confusion confounded.

Such a group can lead the workers only into the hands of the capitalists. In action, if not in speech, they are the best friends of the capitalists and the worst enemies of the working class. They work hand in glove with the Socialist Party which has for a long time played the role of painted or disguised lackeys for the bosses.

MacDonald is one of the clearest examples of this type. The purpose of the Labor Government, when it went into office was to pull capitalism out of the hole by the introduction of rationalization. The Bankers Development Company has been organized by the Labor Government to help load this systematic speed-up on the backs of the English laboring class. MacDonald has helped to force wage cuts on textile and other workers. In India and China he carries out the work of Imperialism ruthlessly. Such social-fascist enemies are worse and more dangerous that those who are openly opposed to working class interests.

The renegades, Lovestone and Company, go even further in their ballyhoo for the bosses. They cover the rotten spots with glowing words of capitalism's "fabulous" greatness, and would chloroform the workers to be ravished by the speed-up.

Only under the revolutionary unions and the Communist Party do the masses find leadership, a leadership which has been tried in the fire of the class struggle. This fight against capitalist rationalization places before us the means and the necessity, as well as the greater urgency, of building our new unions and the TUUL center. In this way we can forge the weapons with which to fight this concentrated offensive of the bosses, and lead the workers to final victory.

The highest expression of the class struggle is between the Soviet Union and capitalism. In our struggle against capitalist rationalization the whole force of the Workers' Fatherland and of socialist rationalization are with us. The sharpest contrast is to be drawn before the workers between these two systems. This

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is a very important means of propaganda and motivation for the workers still under the capitalist speed-up to struggle against it.

Socialist Rationalization vs. Capitalist Rationalization

In the Soviet Union, socialist rationalization is being carried out by the workers and peasants for their own benefit. The system of exploitation has been abolished. The standard of living of the peasants has been increasing by leaps and bounds under collective farming. The real wages of the workers are 39% above their pre-war level, while if we take into account other social advantages, they are 67% higher. Under the five year plan of socialist rationalization the real wage of the worker will increase by 70.5%. For each dollar which he received at the beginning he will receive $1.70 at the end. What capitalist country could even think of giving such a wage increase within a five year period. And under the great power of the working class the five year plan is being completed in four years. The 7-hour day will soon be universal, while the 6-hour day has been introduced in dangerous trades. The continuous work week gives the workers 15 more rest days than before. Besides this the laborer gets his regular vacation with pay.

In fact, socialist rationalization means shorter hours, fewer work days, higher pay, better working conditions and a continually rising standard of living. Workers are protected by all forms of social insurance, the strict use of safety devices, free medical attention, rest homes, etc. Great care is taken to protect the laborers' health and prevent undue fatigue from the greater speed of work.

Also forms and methods of rationalization are being introduced which would be impossible in capitalist countries, such as shock brigades, socialist competition and workers' self-criticism. It is impossible for capitalism to rationalize farming, but under socialism, this is proceeding at an astounding pace. Of course the industries in the Soviet Union are availing themselves of all the advanced methods and new machinery which can be taken over from the capitalist countries.

In the Soviet Union for the first time the problem of the crisis has been solved and that of unemployment well on the way toward solution. As more is produced, the workers get more to use. During the present crisis in the U. S. and the capitalist world, the Soviet Union goes on with greater momentum.

This is an inspiring example to the oppressed massess of other countries. The contrast is clear and dynamic. Capitalist Rationalization pushes the system of exploitation on to destruction, Socialist Rationalization leads the international proletariat on to a new society.

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Crisis of Capitalism in Latin America

Latin America is one of the sectors of world capitalism which suffers most intensely from the present crisis. As this great territory, extending to the south of the United States, is a magnificent source principally of minerals, oil, agricultural products and raw materials, these industries have been greatly affected by the economic crisis.

The New York crash and all the other aspects of the crisis in the United States have had an enormous effect throughout Latin America. Even before the sharpening of the crisis in the United States Latin America had felt a crisis in sugar, coffee and mining products. Long ago the mining industry suffered grave setbacks in all these countries; the production of oil was affected by overproduction. The same is true of Brazilian coffee, Cuban sugar, the textile industry in Mexico; all these were severely hit by a serious crisis. However, beginning with the deepening of the crisis in the United States, all these illnesses of the colonial regime of Latin America have become much more acute.

The Mining Crisis

The partial paralysis of Yankee exploitation of oil in Venezuela and the similar policy pursued in Mexico were formerly interpreted as the manoeuvres of the Standard Oil Company in its war against its English competitor the Royal Dutch Company. This is certain: Yankee imperialism has maintained control of vast oil regions with the view of future hegemony over these fields rich with that most important element of capitalist production. However, we should be blind if we did not see in the closing up of oil wells, in the partial paralysis of work on many others, in the intense rationalization in Venezuela, where thousands and thousands of workers have been thrown out of jobs, in the barbarous conditions of rationalization ruling in the oil fields of Bucaramanga (Colombia); in general in all the offensive against the oil workers, nothing more than an aspect of the fight between American and British imperialism.

We find also the general policy of capitalism in a crisis of overproduction. If industry is partially paralyzed, if automobile production suffers a grave collapse, that is to say, if the big consumers of oil and its by-products suffer by this crisis, we should not allow these manoeuvres of Standard Oil to blind us to a phase of the general policy of capitalism in crisis.

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In the mining industry the situation is the same. The bourgeois press of Mexico is giving out recommendations in the event that they have to close the mines. Mexico produces 43 per cent of the silver in the world and has besides many mines rich in other minerals. The basis of its wealth is in great part the mining industry. The silver crisis, greatly sharpened after the crash in New York, has exerted an enormous influence in worsening the former mining crisis.

For years past many mines have had to close, and others were working only a few days a week. But now it is openly proposed by the bosses, as the only means of "solving" the crisis, to close all mines, or regulate work by instituting a one or two day week.

In Bolivia, where 83 per cent of the world's tin is produced, it is that industry, which is in the hands of American imperialism, which is chiefly affected.

In Chile the Saltpeter industry is the outstanding victim of the crisis. This industry has been "nationalized" by the Chilean Saltpeter Company (Cosach) in which Guggenheim holds 51 per cent of the stock.

The Agrarian Crisis

Coffee, the principal product in Brazil, is also the product most affected by the crisis. It was by means of coffee that English imperialism exercised a decisive influence over Brazilian economy. U. S. imperialism patronizes coffee producton in the rest of America, principally in Colombia, in order to create critical conditions in the exploitation shared by English imperialists and Brazillian landowners. Today Brazil is deep in the throes of crisis. In its storehouses we find a quantity of coffee sufficient for the entire world consumption. This huge supply has been withdrawn from the market in order to avoid a further fall in the price of the product.

As may be easily supposed, this measure cannot solve the problem of the coffee crisis. The result is only an increase in the quantity of coffee withdrawn from the market, and held in storage without being able to stem the decrease in the prices of coffee, which has reached its lowest point since the Wall Street crash.

But the coffee crisis also exercises a significant influence in many other countries in which the land-owning class is represented by the proprietors of coffee farms. Colombia is the hardest hit in this crisis because the total volume of its sales is governed by the New York market but all central America is also a great coffee region and is inffuenced by the crisis in coffee.

In Panama, Costa Rica, Nicaragua, El Salvador, Honduras and Guatemala, the consequences of the coffee crisis grow daily worse. In Cuba the coffee interests are trying to make an almost prohibitive

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restriction on coffee importation in order to "solve" the crisis. In Porto Rico and Haiti the phase of the crisis is not very different from that through which the landowning coffee planters are going.

Sugar is another product which has suffered much from the consequences of the crash, reaching its lowest price in history.

Cuba, the principal producer, is in a situation similar to that which preceded the Spanish American war. The crisis is sharp and has no solution. First it was intended to restrict the output as a means of raising the prices of sugar. This measure failed because it only played into the hands of the sugar producers of other countries who took advantage of the Cuban restriction to increase their own production. Later an attempt was made to monopolize the sale of sugar, creating a monopoly which would control the exportation of sugar, but this also failed. Now a commission of financiers who represent Yankee and Canadian capitalists are studying the situation in order to solve the crisis.

But the sugar crisis affects also Porto Rico and Brazil, which trail Cuba as producers of sugar, as well as Peru, Santo Domingo and many other islands of the West Indies.

Repercussions of the Crisis

The crisis principally affects agricultural and mining productio and sugar, which are under the control of imperialism, but naturally extends especially throughout agricultural production. The earning capacity of the masses steadily decreases as the crisis of overproduction increases among the agricultural products for domestic consumption.

The crisis also affects the secondary industries of each country, the textile industry in Mexico, the cold storage industry in Argentina and Uruguay, the production of shoes, clothing and many other articles; these do not escape the weight of the general crisis.

On the other hand, it affects the most powerful centers of the United States, because it affects the manufacturing market. In Cuba alone in the last two years the gross volume of U. S. importations has decreased 50 per cent.

The crisis also exercises a decisive financial influence in each country. Colombia has stopped its public works. Cuba has halted work on its central highways. The Kemmerer mission is visiting Ecuador and Colombia, trying to solve the budget crisis. A multitude of Wall Street financiers are visiting the countries in an attempt to solve the grave finacial ills from which their governments are suffering, contracting loans and more loans for great sums of money. Wall Street has invested in Latin America $4,-

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917,000,000, a sum which is greater than that invested in any other continent, and consequently the crisis of the United States has its greatest effect in Latin America.

Now we find the earlier symptoms of the repercussions of the crisis, but as the crisis develops in the United States, its consequences will be felt more and more in every country in Latin America, favoring the already existing objective revolutionary conditions.

The Imperialist Solution of the Crisis

Imperialism and its national agents, the representatives of the bourgeoisie and the Latin American landowners, are bent on finding a solution of the crisis. With this purpose every elected president has been forced to perform the ritual of making a trip to Washington, in which trip he receives his instructions from the White House. Also a corps of experts go from one part of the continent to the other *suggesting* means of solving the crisis.

Not only Kemmerer has this power. Guggenheim in Chile plays a similar role. Morrow did the same thing in Mexico. In Cuba, the minister Guggenheim played this part. The railroad commission which visited Colombia last year and the "financial experts" who studied the situation in Costa Rica—all these gentlemen are constantly traveling between the White House and Latin America *suggesting* ways of solving the grave problems of Latin America, recommending new loans and organizing rationalization in these countries.

Yankee imperialists and native exploiters are agreed that the entire weight of the crisis shall fall on the shoulders of the workers and peasants. To relate the consequences of this vast plan of rationalization would be impossible, but we shall give some facts.

Rationalization is being put into effect in Mexico in all the mines, in the textile industry, in the agrarian regions cultivated by modern methods, and in the dependent states, by means of the importation of American efficiency.

The lagoon region of Matamoros is a typical case. Here cotton and wheat are cultivated. In places where before there were 500 or 600 agricultural workers, today there are only 75 or 100. In the small plantations which gave work to 100 workers, today there are only 25. It is calculated that 75% of the working population of this regiou is unemployed. Several mining regions are totally paralyzed and the entire mass of workers is in the streets. The number of unemployed in Mexico is 700,000.

In consequence of the rationalization system introduced by Guggenheim, Ibanez and Co. in the Saltpeter works of Chile, 20,000 workers have been thrown out of employment. In Colom-

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bia the unemployed number at least 50,000, without counting the thousands thrown out of work by the closing of public works.

In El Salvador, with a population of 1,200,000 there are more than 60,000 unemployed. In Trinidad, a small island with a population of 400,000 inhabitants, there are more than 15,000 out of jobs.

In Porto Rico the unemployment problem has reached serious proportions, so serious, in fact, that it can be said that the fight of the jobless is the fight of the majority of the working class.

In Cuba, when the present sugar season comes to an end, there will be about 500,000 unemployed, out of a working population of one million, and a total population of 3,600,000. The hunger of the masses is so great in Cuba that a group of working class families, totaling no less than 100 persons, left Macabi in Oriente for Santa Clara in search of work. Men, women and children made this trip on foot, without shelter or food. The state of misery and hunger was such that many of the members of this tragic caravan died on the way.

The average salary of the agricultural workers on sugar plantation actually does not exceed forty cents a day, while in 1919 some of these same workers earned $4.50 or $5 a day. In many agricultural regions of Mexico, the farms earn only 20 cents a day. The proletarians who are building the highway in Colombia in Rio Hacha are absolutely without clothes, due to the miserable state of exploitation to which they are subjected. The working day is from sun to sun. In some Bolivian mines the workers are compelled to labor for three consecutive days and nights with rest intervals of 24 hours.

Other Forms of Oppression. Fascism and the White Terror

Naturally, such exploitation cannot continue without being enforced by various other methods of oppression. On the one side, principally in the Carribean, which is the region where American imperialism is strongest, the Negro workers are cruelly exploited and exported from one place to another in the same way that they were first brought from Africa. In the majority of the fruit and sugar plantations thousands and thousands of black slaves who speak English are employed.

The Negro workers of the Caribbean speak four languages: mostly English, some French, Spanish and Dutch. Besides there are a great many Hindu and Chinese workers. Imperialism always manages to exploit together workers of different languages in order to utilize race hatred, and especially discrimination against Negro workers, as a means of guaranteeing colonial exploitation.

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And bound up with all these forms of racial oppression is the political oppression of the masses. In Chile, Cuba, and Mexico, there are fascist or social fascist governments which serve imperialism. In the majority of these countries the Communist Party and the unions affiliated to the Latin American Union Federation and the International Labor Defense are illegal or threatened with illegality.

The massacre of workers in a demonstration in Matamoros, in which 20 communists were slaughtered, is a typical example of the fascist methods brought to Latin America by imperialism. The killing of 1,500 banana strikers in the banana zone is another example yet more eloquent of the terrorist methods with which imperialism enforces its rule. Fascist laws, daily imprisonments, long sentences imposed on militant revolutionaries, and the most brutal tortures are employed to crush the growing revolutionary struggle.

Toward the Struggle for Emancipation!

The masses of workers and peasants, for their part, day after day increase in radicalization and in class consciousness. In some countries where the revolutionary movement is very weak, as in Bolivia, the direction of the revolutionary struggle has been in the hands of non-working class elements, which have betrayed the interests of the masses. But every moment the struggle of the workers and the peasants becomes more class conscious.

The demonstration of March 20, continental unemployed day, in Medellin, Colombia, proves this. Thousands of workers responded to the call of the Communist Party. A liberal orator suddenly climbed to the improvised platform, taking by surprise the assembled masses and suggested governmental reform to solve the unemployment problem. The masses answered by attacking him. Not only did the workers put this demagogue to flight, but they also changed their fight to a struggle against the government. They marched upon the City Hall; the entire demonstration raided milk and grocery stores and seized other strategic places. From 10 o'clock in the morning to 12 o'clock at night there was street fighting. Not until midnight did the firing of machine guns cease and the army restored "order" in the streets. There were many slain, and mass arrests.

The strike of 200,000 workers in Cuba is another instance of the character of the class struggle. The Cuban National Workers Federation gathered this great mass of workers under the banner of the struggle against unemployment and rallied them to political slogans against the imperialist government and its watchdog Mach-

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ado. The strike was above all political and directed against imperialism and its agents, the national bourgeoisie.

No less important are the mining strikes in Mexico, the many strikes which took place in Cuba this year, the peasants' insurrection in Ecuador, the strike of San Francisco in Argentina, the cold storage workers strike of Argentina, and the coming struggle of the banana workers in Honduras.

Although the uncertainty of the Santo Domingo regime provoked a revolution which the political party of the bourgeoisie utilized to seize power; although the anti-imperialist fight in Haiti has been betrayed by the nationalists; although the U. S. has assisted the brutal rule of governments emanating from defeated bourgeois democratic revolutions that today have a fascist character and are led by the petty bourgeoisie, as in Mexico and in Chile, every day that passes the workers and peasants reinforce their independent class movement against imperialism and the native exploiters.

The street fights in Mexico City and in Havana on May 1, were dissolved only after repeated attacks by the police.

Airplanes, cannons, machine guns, police and army corps were used to break up an unemployment demonstration in Guatemala on May 19. In the street fights in Bogota between Communists and fascist liberals; the fights of the still weak movement of the working class in Bolivia against the "new rule" of the petty bourgeoisie, in all the new vave of class struggle in Latin America, the united front of the oppressed becomes each time more compact and homogeneous.

While China is forming new Soviets and while India is revolting against British imperialism, the oppressed masses of Latin America, another great part of the colonial world, is preparing for new attacks. The democratic bourgeois revolution strengthens with each thrust, in its struggle against the imperialists and against the land-owners. In some countries, where the proletariat is a more important part of the population it is in a position to give mortal blows to the bourgeoisie and to imperialism, developing the proletarian revolution at the same time as the bourgeois democratic revolution. Under the Communist banner of a workers and peasants government the exploited masses of Latin America are beginning to prepare the way for the destruction of the barbarous imperialist regime that oppresses them.

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Daniel De Leon and the Struggle Against Opportunism in the American Labor Movement[1]

By L. G. RAISKY

Translated by POVSNER

I.

AT the end of the second third of the past century Karl Marx wrote, not without good reason, that the United States was a European colony. But how radically and with what unheard of speed has the situation changed! Already at the beginning of the '90's the United States, by the scale of its industrial production, firmly assumed the first place among the capitalist countries of the world, leaving far behind not only Germany and France, but also the "world's workshop," England.

The character and structure of American capitalism changed radically. A noticeable development of monopoly capital in the United States had already begun in the '80's. In 1879 Rockefeller founded the oil trust which was reorganized in 1882 along modern lines. Five years later a sugar trust, embracing twenty-one factories, was established. The victorious march of monopoly capital led to dismay among the middle and petty bourgeoisie who attempted to build a legal dam against the approaching "disaster." But the Sherman law which was adopted by Congress in 1890 proved to be impotent in the struggle against the mighty economic elements: the growth of monopoly of capital was not stopped. Furthermore, it easily broke through the weak judicial barriers and confidently, irresistibly swamped the economic life of the country.

Where was the government at the time? How did it react to this attitude of the capitalists towards the Sherman law? What did the government do to combat the endless violations of this notorious law? It closed its eyes upon these "frolics" of the plutocracy. Moreover, it actively helped the bourgeoisie to evade the laws which were issued in order to hoodwink the voters. The only real effect of the Sherman law was its unexpected interpretation by the Supreme Court in the sense that trade unions are organi-

[1] Translated from *Problems of Marxism*, Volume 2.

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zations violating the "freedom of labor" and therefore non-constitutional.

After firmly capturing the decisive economic and political positions within the country, finance capital of the United States appeared in the '90's on the world arena. In a chase for South American and Far Eastern markets, American imperialism took up with great vim the work of conquering the commanding heights of the Caribbean Sea and Pacific Ocean. As early as 1893, the United States virtually annexed the Hawaiian Islands. In 1898 American imperialism provoked a war with Spain, quickly and thoroughly defeating that country and annexing the Philippine Islands, Guam, Porto Rico, and establishing its protectorate over Cuba.

"Irresistible economic forces drive us towards the domination of the world!" By these words Senator Lodge formulated on the eve of the twentieth century the program of the youthful and avaricious American imperialism.

The United States was converted into a classic country of capitalist monopoly and imperialism.

II.

The sharp changes which developed in the social and economic life of the United States produced new conditions for, and a new character in the labor movement.

In the latter half of the '80's the power and influece of the Knights of Labor, the mass organization of the unskilled workers, reached its apex. Contrary to the position of the leaders who intended to solve the labor problem by mutual aid and peaceful cooperative development, the workers threw themselves into stormy strike struggle. This was a period of sharp class battles. The labor aristocracy took an extremely hostile attitude towards the struggle of the unskilled workers; they reacted with even greater enmity towards the attempt of the Knights of Labor to gain control over the unions of skilled workers. And when the bourgeoisie resorted to lockouts, blacklists and police terror in order to crush the Knights of Labor, the trade unions assumed an attitude of friendly neutrality, and sometimes even of active assistance to the bourgeoisie. By the united efforts of the capitalists, the government and the trade unions of the skilled workers, the Knights of Labor were suppressed at the end of the '80's, and in the '90's its remnants, which had lost the support of the masses, became converted into reactionary utopian groups that stewed in their own juice. The master of the situation from then on was the American Federation of Labor, the organization of the skilled workers.

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After having been finally established in 1886, the American Federation of Labor, led by Samuel Gompers, John Mitchell, Strasser and others, at first flirted, though very platonically, with socialism, but soon forgot its youthful infatuation.

At the basis of its theory and practice the American Federation of Labor laid down the following series of principles:

1. The recognition of the indestructability of capitalism. The struggle for the every-day interests of the trade union members within the framework of existing society.

At the end of the nineteenth century the unoccupied land in the United States had been practically exhausted and the working man was no longer able to take up farming and become a property owner. How did the leaders of the American Federation of Labor react to this new situation? "The wage worker has now reconciled himself to the fact that he must remain a wage worker to the end of his life," wrote John Mitchell, the vice-president of the American Federation of Labor, at the beginning of the twentieth century. "He has abandoned the hope for the future State in which he would become a capitalist (why necessarily a capitalist and not a member of the socialist commonwealth?—L. R.) so that his aspirations are limited to the desire that he as a worker should receive a compensation commensurable with his work." [2] Fair pay for a fair day's work—this formula expressed the entire concern of the trade union chiefs.

Replying to unjust charges of support of socialist theories, advanced against the American Federation of Labor by Professor Laughlin, Gompers wrote in the official organ of the Federation: "The unions have supported no other theory except the one which says that Labor is entitled to reasonable pay, a reasonable working day and human conditions of labor. . . . The literature of the trade unions is not socialistic. Ask the socialist leaders." [3]

2. Class cooperation. "Hostility between labor and capital is not a necessity," Mitchell's argument continues. "The one cannot exist without the other. Capital is accumulated and materialized work, while the ability to work is a form of capital. There is even no necessary contrast of principle between the worker and the capitalist. Both are men with human virtues and vices, and both strive to receive more than their just share. But upon a closer examination the interest of the one appears to be the interest of the other, and welfare of the one the welfare of the other." Mitchell saw the purpose of his book as that of convincing the

[2] John Mitchell, *Organized Labor*, Philadelphia, 1903.
[3] *American Federationist*, July, 1906.

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capitalists to treat the workers "as tolerantly and decently as the latter treat them."

Following the principle of class cooperation, Gompers and Mitchell joined in 1901 the American Civic Federation, a *capitalist body officially* designated to settle disputes between labor and capital, while in reality organized for the purpose of fighting the revolutionary labor movement. Gompers and Mitchell received from the American Civic Federation six thousand dollars per year each. Gompers was very proud of his official connection with the Civic Federation and always emphasized his full title: "President of the American Federation of Labor and Vice-President of the American Civic Federation."

3. Purely economic methods of struggle. "What must be cured —the economic, social or political life?" Gompers asks in the *American Federationist* in September, 1902. "If the economic life is to be cured it must be done by economic and not by any other methods."[4] To be sure the American Federation of Labor was by no means non-political; it merely opposed the independent political labor movement, preferring to make election agreements with this or that capitalist party and secure pledges to defend trade union interests in Congress (on the principle of "Punish your enemies and reward your friends.")

4. The craft principle of organization. Every craft had its union. Paragraph 2 of the constitution of the Federation provided for "the foundation of national and international[5] unions, strictly observing the autonomy of each trade, and facilitating the development and consolidation of similar organizations."

5. High initiation and membership fees. In January, 1900 Gompers wrote a complete treatise in an attempt "to prove by all means the fatal results of the non-establishment of high dues and proper revenues."[6] The system of high dues had a double object. Firstly, it helped to create immense funds which were used for relief and insurance purposes; secondly, with their aid the trade unions firmly closed their doors to the poorly paid workers, this unruly element which constantly disturbed the principle of brotherhood between labor and capital, and dragged the trade unions into strikes which exhausted trade union funds.

6. The struggle against colored workers, who tended to degrade the standard of living of white American workers; the consolidation of the privileged position of the white Americans.

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[4] Samuel Gompers, *Labor and the Employer*, New York, page 33.

[5] By International Unions are meant unions embracing the workers of the United States and Canada.

[6] *American Federationist*, January, 1900.

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By this policy the leaders of the American Federation of Labor arrived at a situation in which ninety per cent of the workers remained outside the labor organizations and completely at the mercy of capitalist exploitation. But what are the sufferings of the vast masses of the workers to the Gomperses? They were perfectly indifferent to the contempt and hatred with which the revolutionary workers regarded them. But what pride Gompers took in the praise which the capitalists showered upon the craft unions and their leaders!

"For ten years I bitterly fought organized labor," Gompers quotes Potter Palmer. "It cost me a good deal over a million dollars to learn that there is no more skillful, wide, devoted work than the one which is governed by an organization whose officials are level-headed men with the same standard. . . ."

Melville E. Engels, the chairman of the board of directors of four great railroads, said, "It seems to me that your trade agreement offers the same protection to capital as to labor."

Senator Mark A. Hanna, capitalist and politician, said, "Organize for no other purpose than for the mutual benefit of the employer and worker; do not organize in the spirit of antagonism. . . . I found the labor organizations prepared and willing to meet us more than half way."[7] The same Hanna called the leaders of the craft unions "lieutenants of the captains of industry."

It was under these conditions that De Leon developed his activity.

III.

Daniel De Leon was born in Venezuela on December 14, 1852, and was the son of a prosperous doctor. He was educated in Europe (Germany and Holland), where he studied modern and ancient languages, history, philosophy, and mathematics. At the age of twenty De Leon graduated from the university and soon went to the United States where he engaged in teaching and writing. In New York, De Leon enrolled in Columbia University, where he studied law. Upon graduating from the university he acted for six years as assistant professor of international law in the same college. De Leon's academic career began brilliantly, thanks to his extensive and international education and oratorical gifts. He became very popular among the students and with the university administration, and was soon to gain the chair of full professor.

But this academic career ended just as dramatically as it began. In the middle of the '80's De Leon became closely interested in the

[7] Samuel Gompers, *Labor and the Employer*, pp. 45-48.

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labor and socialist movement. In 1888 he joined the Knights of Labor and later fell under the influence of the American utopian, Edward Bellamy. Soon, however, the utopian reform movement ceased to satisfy De Leon, who made a thorough and serious study of Marxism in which he found the answer to all the social problems which interested him.

The university administration then began to give attention to the fact that De Leon's lectures were becoming imbued with socialist ideas. A conversation followed between De Leon and the president of the university, and when the latter began to explain to De Leon that science was neutral and apolitical, De Leon at once submitted his resignation.

From that time on De Leon completely broke with university circles and devoted himself entirely to the labor movement, placing all of his unusual gifts at its service.

In 1890 De Leon joined the Socialist Labor Party which adhered to a Marxian position, and thanks to his extensive learning, will power, fanatical devotion to the working class, and oratorical and literary gifts, he soon gained a leading position in this party. Thenceforth the history of the Socialist Labor Party became inseparable from the political biography of Daniel De Leon, just as the history of the C. P. S. U. is closely connected with the name of Lenin.

In a brief sketch it is impossible, of course, to describe the entire twenty-five years of De Leon's socialist work, just as it is impossible in such a short space to give a full idea, of his theory of "industrialism," which constitutes a retreat from Marxism in the direction of syndicalism, or, of his theory of the State, in which De Leon, one year before the first Russian Revolution, anticipated some elements of the Soviet system. We will also have to pass by the weak points of De Leon's policy which suffered from the spirit of sectarianism. In this article we will limit ourselves to a description of De Leon's resolute and difficult struggle against opportunism in the country of "classic" opportunism, in the country of the most backward labor movement.

American capitalism had a number of important advantages over the European capitalist countries. Possessing an abundance of raw materials and cheap fuel, the American bourgeoisie was able to develop a peculiarly American rate of capital accumulation. This was so also because the entire globe constantly supplied it with labor power. The United States did not have to make any outlays for the training of skilled labor, as the European capitalist countries were forced to do, but largely received this labor from outside. In addition, owing to the presence of vast unoccupied stretches of land in the country, there was practically no absolute ground

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rent and the bourgeoisie was not forced to divide the surplus value with the landlords; thus the American employers were richer than their European rivals.

The United States is one of the youngest capitalist countries and therefore made use of all the latest technical appliances. The American bourgeoisie was impelled constantly to improve the technic of production by the high price of labor. With the aid of the most modern machinery and the speed-up system the American capitalists squeezed out of the workers more surplus value than European capitalists. Two American workers produced as much as five British. Upon establishing a monopoly within the country, the American capitalists protected the domestic market from foreign competition by a system of high tariffs and converted the vast country into a field of monopoly super-profit.

All this enabled the American bourgeoisie to place the workers in better conditions than those prevailing in Europe. In the United States the highest wages have been historically established. Without this condition the bourgeoisie would not have been able to keep the necessary number of workers in the industrial centers, in the factories, mines and railways. The presence of free land made itself strongly felt.

But if the American proletariat represented a peculiar aristocracy compared with the workers in other lands, among the American proletariat itself there grew up a section of highly skilled workers (chiefly Americans) whom the bourgeoisie placed in specially privileged conditions and broke away from the rest of the working masses. It was this labor aristocracy which supplied the basis for Gompersism.

The awakening of the class consciousness of the American workers was also hindered by the following factors. The country had a considerable amount of free land which served as a refuge to the unemployed and discontented workers. True, by the end of the nineteenth century there was practically no free land left, but its existence in the past left a definite impress upon the psychology of the American proletariat.

The same effect was exercised by the democratic system of government and the competition between the two political parties. In the chase for votes both of these rival parties made some concessions to the workers and corrupted their consciousness. Finally, the ethnographic diversity of the American proletariat also had its effect. The American born white workers enjoyed better conditions compared with not only the Negroes, Chinese and other colored workers, but also the white foreign born workers. In this way the bourgeoisie strove to imbue the white American workers

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with a belief in the identity of the national interests of all Americans as opposed to those of all other races and nations.

In consequence of all of these factors the American labor movement became more backward, conservative and opportunistic than labor in Europe. In the United States there has historically developed a sharp contrast between the objective maturity of the country for socialism and the backwardness of the subjective factor.

IV.

In his theoretical and practical activities De Leon proceeded on the belief that the socialist revolution must begin in the United States, the country of classic capitalism, where the absence of any elements of feudalism has resulted in the highest type of capitalist relations, and where, therefore, the objective conditions for the socialist revolutions were more ripe than in any other capitalist country. [8]

If this is so, then it is necessary to use all forces for the preparation of the subjective factor. It is necessary to awaken the class consciousness of the proletariat, to organize it on an economic and political basis, and lead it to a strong attack on the capitalist fortress. This makes it necessary, first of all, to rearrange the forces of the Party, this "sharp point of the lance," [9] this "outpost of the column."

"In the revolutionary movement as in a storm attack of a fortress," De Leon said in his address "Reform or Revolution," in January, 1896, "everything depends upon the advance detachment of the column, upon the minority which is so persistent in its beliefs, which is based upon such healthy principles and is so determined in its actions that it carries the masses with it, storms the parapets and captures the fort. Such an advance detachment must be our socialist organization in relation to the entire column of the American proletariat. The army destined to win the victory is the army of the proletariat at the head of which must stand a fearless socialist organization deserving the love, respect and confidence of the army of the proletariat." [10]

In the social cataclysm which is inevitable in the near future, all the petty bourgeois and reformist organizations will be swept

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[8] See De Leon's *Flashlights of the Amsterdam Congress*, page 95 (De Leon Resolution at the Amsterdam Congress); "The Intellectual," (*Daily People*, March 19, 1905); "Haywoodism and Industrialism," (*Daily People*, April 13, 1913); etc.

[9] Daniel De Leon, *The Burning Question of Trade Unionism*, New York, page 30.

[10] Ibid. *Reform or Revolution*, New York, 1924, pp. 22-23.

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away under the debris of the old world. Only the stalwart socialist party will firmly stand over the ruins; it alone will be capable of leading the masses. "But it will be able to achieve this only on a revolutionary basis; on a reformist basis it will never be able to be victorious." [11]

De Leon proclaimed a merciless war upon reformism. Reforms, he said, marks a change of the outer forms only, while the inner substance remains unchanged. A poodle may be shorn to look like a lion, but it still remains a dog. Yet the wealthy and powerful American bourgeoisie has fully appreciated the demoralizing force of concessions and sops, while the capitalist politicians know the power of reform which serves as a safety valve, giving vent to the revolutionary sentiments of the workers, and as a trap into which the reformists are easily enticed by the bait.

De Leon considered it a "fatal illusion" to hold that capitalism can be gradually destroyed with the aid of palliatives. A tiger will furiously defend the ends of his moustache and will fight with even greater fury for his heart. This is an instinctive process. A sop is an "opiate prescribed for appeasement." "A revolutionist," De Leon wrote in his remarkable work *Two Pages from Roman History* (April, 1902), "must never throw a sop to the revolutionary elements. As soon as he does this, he will give himself up to the power of the enemy. For he can always be out-sopped. This happened to Caius Gracchus who proposed to create three colonies in order to improve the lot of the proletariat. The patricians rendered Gracchus harmless by introducing the demagogic proposal to create twelve colonies. This greater sop, which led to Gracchus' downfall, was never realized; it fulfilled its narcotic mission and was cast aside." [12]

As a striking example of blindness displayed by reformists, De Leon cited the telegram received by the *Milwaukee Social Democratic Herald* from Chicago on April 2, 1902. "The two-thirds majority secured in favor of the platform of the municipalization of property," the telegram read, "testifies to the fact that socialism is in the air."

The labor movement in Chicago gained considerable force; the soil there was ploughed up deeper than in New York, De Leon says; probably for this reason the capitalist politicians of Chicago were more "skillful" and "mobile" even than their New York colleagues. But even in New York individual politicians resorted to the "municipal ownership" plank for the purpose of camouflage.

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[11] Ibid. page 30.

[12] De Leon, *Two Pages from Roman History, New York*, 1902, p. 81.

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"The fearless socialist agitation has acquainted public opinion, though still rather vaguely, with the socialist aspirations. The politician who is 'broad-minded' and in addition 'alert' does not object to the socialist elections. Being 'alert' and in addition 'broad-minded,' he does not object to this procedure if he can take the liberty of giving a shadow instead of substance, especially if he can thereby kill socialism. 'Municipal ownership' is particularly useful for such purposes. It sounds 'socialistic'; but we know that this term may be used to cover up an anti-labor scheme. The capitalist tales about its God-given ability to direct industry have failed, and now capitalism is seeking a quiet harbor in 'municipal ownership.' This is an ideal capitalist sop for those anxious to take any bait. . . . Still the social democrat rejoices: 'The two-thirds majority in favor of municipal ownership shows that socialism is in the air.'" "In the air," De Leon mockingly agrees, "even too much 'in the air'—everywhere, except the soil of Chicago. . . ."

Any sop thrown by a reformist to the proletariat is like the skin of a banana placed under the feet of the proletariat, which will cause it to slip and fall. "Not sops, but unconditional surrender of capitalism—such is the fighting cry of the proletariat revolution." [13]

Up to the '90's the Socialist Labor Party developed very slowly, both quantitativly and qualitatively. The party consisted almost exclusively of foreigners, particularly Germans. It was characteristic that the central organ of the party was published not in English, but in German. The influence of the party among the American born workers was extremely weak.

Ideologically the party was only beginning to get on its feet. Only in 1889 was the demand for the material assistance of the workers' associations by the State omitted from the program, a demand which was copied from the German Lassallians or, to be more exact, imported into America by the German immigrants. On the fundamental question confronting the party, namely, the question of the methods and platforms by which it could entrench itself in American soil and pave the way to the masses of native workers, two tendencies fought each other. One believed that it was necessary to give the main attention to socialist propaganda during elections, ignoring the trade union movement; the other saw the principal task of the party in the trade union movement, and neglected the political activity.

De Leon opened a struggle against these narrow, anti-Marxian tendencies, insisting that the economic and political struggle must be conducted simultaneously.

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[13] Ibid. pp. 82-83.

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Under De Leon the central organ of the party for the first time began to be published in English, first as a weekly (*The Weekly People*) and nine years later as a daily (*The Daily People*). The newspaper was written not only for the workers but in a considerable measure also by the workers whom De Leon, as editor, attracted as correspondents. With the aid of the newspaper ably edited by De Leon, the party battered its way to the bulk of the American proletariat, educating and organizing its advance guard.

The triumph of imperialism, the taking up of the offensive against the masses of the proletariat by the monopolistic plutocracy created a favorable basis for an extension of the socialist movement in the United States. In the '90's the party, led by De Leon, entered on the broad historical highway.

However, the new conditions gave rise to new difficulties. De Leon's determination to convert the party into a revolutionary militant vanguard of the proletariat met with resistance within the party, which led at the end of the century to a split and a segregation between the revolutionary and the opportunist elements in American socialism. During 1900-1901 the elements who were dissatisfied with the inner-party regime and the tactical principles defended by De Leon, constituted themselves into a new Socialist Party. At the head of this party were Morris Hillquit, Victor Berger, and others.

Originally the differences between De Leon's followers and the supporters of Hillquit and Berger reveloped over inner-party questions and the attitude to be taken towards the trade unions. During the twentieth century the two parties drifted further and further apart, each of them developing its own conception of the structure of the future society, of the main roads leading to socialism, and the effect of parliamentarism.

VI.

Hillquit, one of the representatives of the anti-De Leonist wing of the Socialist Labor Party, who subsequently became the head of the Socialist Party, constantly complained about "the fanatical severity (of De Leon) in the enforcement of discipline." [14]

Indeed, De Leon was absolutely unrelenting in the struggle against intellectualist individualism and in the fight for proletarian discipline. This logically followed from De Leon's entire revolutionary position. If modern America is a battlefield, if the proletariat is one of the armies acting in this field, then the vanguard of the revo-

[14] Morris Hilquitt, *The History of Socialism in the United States*, p. 239. (Russian translation.)

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lutionary class will solve its historical mission only if it enters the battle in full fighting readiness.

A comparison between De Leon and Lenin naturally presents itself to one's mind. De Leon's views on the inner-party question resemble Lenin's even in the style in which they are expressed.

In his *Reform or Revolution,* which we have already cited, De Leon draws the following parallel between a revolutionist and a reformist:

> "A modern revolutionist, that is a socialist, must primarily be obliged to work in the organization, with all of its applications. Here you have the first characteristic distinguishing a revolutionist from a reformist. A reformist scorns organization; his symbol is: Five sore fingers spread out far from each other.
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> ". . . A modern revolutionist knows that in order to obtain results or push forward a principle it is necessary to have unity of action. He knows that unless we create an organization and stand together we will hang separately. That is why you will always find a revolutionist submitting to majority rule. . . . That is why you will never find a revolutionist who regards himself above the organization. The opposite behavior constitutes an unmistakable characteristic of a reformist.
>
> ". . . The highest individual freedom must go hand in hand with collective freedom, which is impossible without a central leading authority. . . . A reformist always shouts against 'tyranny,' but just watch him; give him a free hand and he will always strive to get on top, to become a rider, an autocrat, whose whim must be law. . . . The fickle reformist is governed by centrifugal force, the revolutionists by centripetal force." [15]

De Leon never sacrificed quality to quantity, principle to numbers. "The conception that the main thing is quantity and not quality frequently leads to absurd results," he said. [16] This principle, as applied to the party, prompted De Leon mercilessly to drive out of its ranks all those who in any way retreated from its fundamental principles, for, he maintained, "undermine the discipline, permit this member (of the party) to do whatever he pleases; permit another member to fly in the face of the party constitution, a third to merge with the reformists, someone else to forget the nature of the class struggle and to act in accordance with forgetfulness, permit all this, keep such reformists in your ranks, and you will strike a blow at the heart of your movement." [17]

De Leon's opponents frequently charged him with intolerance and irreconcilability. But De Leon was by no means inclined to consider these qualities vices: "intolerance" and "irreconcilability" he

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[15] *Reform or Revolution,* pp. 16-18.
[16] *The Burning Question of Trade Unionism,* p. 41.
[17] *Reform or Revolution,* p. 24.

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regarded as necessary conditions to the success of the revolution, while "any action looking towards 'lenience' and 'tolerance' . . . renders the revolution powerless." [18]

De Leon assumed a definite position on the question of the party ownership of the press. Like Lenin, De Leon attached enormous agitational and organizational value to the press which he regarded as "the most potent weapon of the movement." And since, the press, in his opinion, is not only a prerequisite, but also a product of the growth of the movement, requiring sacrifices in money, and long and great efforts, the party which has forged this powerful weapon must be confident that it will not be wrested from its hands and turned against it. De Leon therefore demanded vigilant control by the party over its press. [19]

The constitution of the Socialist Labor Party demanded that every member of the party should regularly subscribe to its organ, with the exception of those members who had no party organ in their own language. No member of the party and no local committee had the right to publish a newspaper without the sanction of the National Executive Committee of the Party. The latter controlled also the contents of all the party publications.

A different view was held by the Socialist Party, which even up to 1914 had no newspaper of its own. Only in that year was *The American Socialist* converted into the organ of the party, published by the Central Executive Committee in Chicago.. At the same time the old rule, by which any member of the party or any local was entitled to publish his or its own press organ witout the control or direction of the center, was preserved.

Autonomy or centralization? This question of inner-organization of the party also served as an object of differences between the Socialist Labor Party and the Socialist Party. While the latter allowed the State organizations autonomous rights, the constitution of the Socialist Labor Party, which was based upon the principle of centralism, gave to the National Executive Committee the power to expel any State Executive Committee.

De Leon explained the source of differences over this question as follows: The United States is a country nearly as large as all of Europe and does not constitute an economically uniform body. Capitalism has developed in every direction, but the country is so young that the primitive possibilities crop up at times even where capitalism has become deeply enrooted and, besides, the country is so vast that the primitive conditions still prevail over complete

[18] *Two Pages from Roman History*, p. 72.

[19] *Unity*, an address delivered by Daniel De Leon, Feb. 21, 1908. New York, 1914. pp. 13-14.

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regions. Such a diversity of conditions, which testifies to different stages of economic development, inevitably breeds standards of spiritual development. A strong organization depends not only upon an identity of interests but also upon the degree to which these interests are developed.

"The proletarian elements which are closely tied up, by the navel string, to bourgeois interests cannot be as monolithic as the proletarian organization which has broken this navel string." The non-proletarian elements which are attracted by both proletarian elements will, by virtue of the law of natural selection, acquire the characteristics which belong to the respective organization. "The less the revolutionary elements are developed in a class sense, the less homogeneous they are; the less homogeneous they are, the weaker is their readiness to make sacrifices; the weaker their readiness to make sacrifices, the more scattered their efforts. On the contrary, the more class conscious the revolutionary elements, the greater is their homogeneity. The greater their homogeneity, the more actively are they prepared for sacrifices; the stronger their readiness for sacrifices, the more concentrated their efforts."

The former represent the plain of the modern labor movement, and the class conscious elements its mountain. By virtue of its social nature the organization of the mountain elements conducts its work in a concentrated manner and naturally assumes a centralized form, while the elements of the plain move separately and their organization assumes the form of autonomy. [20]

VII.

De Leon's struggle against organizational opportunism was closely connected with his struggle against opportunism in the economic and political domains.

De Leon carried out a tremendous work in cleaning the Augean stables of the trade union movement in which opportunism flourished with particular gorgeousness.

At the beginning of 1898 the textile workers of New Bedford, Massachusetts, lost a long and bitterly fought strike conducted in the name of a number of immediate demands. On February 11, De Leon delivered in New Bedford an address entitled "What Means This Strike?" in which he attempted to explain to the workers "the principles of healthy organization" and "refute the theory that worker and capitalist are brothers." Upon showing this with the aid of theoretical arguments, illustrated and backed up by fig-

[20] *Unity*, pp. 15, 16 and 18.

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ures taken from the workers' own lives, De Leon scathingly ridiculed the comparison of labor and capital with the Siamese twins: wherever one went, the other followed; when one was happy, the pulse of the other was quickened; when one caught cold the other sneezed in unison with him; when one died the other followed him into the next world five minutes later. . . . "Do you find," De Leon asked the New Bedford textile workers, "that such are the relations between the workers and capitalists? Do you find that the fatter the capitalist becomes, the fatter does the worker become? Does not your experience tell you rather that the richer the capitalist the poorer the worker; that the more luxurious and magnificent the residence of the capitalist, the gloomier and humbler is the residence of the workers; that the happier the wife of the capitalist, and the greater his children's opportunities for amusement and study, the heavier becomes the cross borne by the workers' wives while their children are increasingly thrown out of the schools and deprived of the joys of childhood? Does your experience tell you this—yes or no?"

"Yes, this is so!" came from every corner of the hall.

"The most important point underlying these facts," De Leon continued, "is the fact that between the working class and the capitalist class there is an insuparable conflict, a class struggle for life. No haranguing politician is able to jump over it, no capitalist professor or official statistician to destroy it by arguments, no capitalist priest to conceal it, no labor faker to dodge it, no 'reform' architect to bridge it. . . ."

And this struggle must end either in the complete subjection of the working class or in the destruction of the capitalist class. "You can thus see that the cry upon which your 'pure and simple' trade unions are based, and on the basis of which you went into this strike, is false. There are no common interests, but there are antagonistic interests, between the capitalist class and the working class." De Leon emphasized again and again. It is a hopeless struggle with the aid of which "healthy relations" are to be established between the irreconcilably antagonistic classes. [21]

Upon further exposing the secret of the primitive accumulation of capital and drawing a picture of the development of capitalism which leads to the replacement of skilled labor by machinery, the growth of the reserve labor army and the degradation of the standard of living of the bulk of the working class, and ridiculing the theory that the capitalists are the natural captains of industry, De

[21] Daniel De Leon, *"What Means This Strike?"* New York, 1926. pp. 13-14.

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Leon asked: Perhaps the capitalists are entitled to surplus value as inventors? But this, too, is a great mistake: the capitalists simply exploit the technical genius of others, using their distress and buying for a song the fruits of their hard mental labor. As a striking example of the acquisition by the capitalists of other people's inventions, De Leon cited the case of the employees of the Bonsack Machine Company who were noted for their unusual inventiveness. Anxious to utilize their inventions without paying for them, the company locked out all of its men and then forced them to sign a contract by which all their future inventions would belong to the company. A certain worker invented as a result of six months of hard work, during which he did not receive a single cent from the company, a valuable machine for the production of cigarette cases. The worker himself patented his invention. But the federal court, before which the Bonsack Machine Company took up the case, issued an award in favor of the company.

This fact, as reported by De Leon, caused a storm of indignation in the hall. From all sides came the cries of "Shame! Shame!" De Leon then proceeded further to unfold his propagandist task.

"Shame?" he repeated the cries of the audience, "Shame? Do not say 'shame'! He who sets fire to his own house has no right to shout 'shame' when the flames devour him. You better say: 'This is as it should be,' and, beating your breast: 'It is your own fault!' After electing into power the Democratic, Republican, Free Trade, Protectionist, Silver or Gold platform of the capitalist class, the working class can only blame itself if the official lackeys of this class turn against labor after gaining public power." [22]

By this chain of arguments De Leon helped the audience to realize the basic "principle of healthy organization," the fundamental elements of Marxism, which were astonishing revelations to the overwhelming majority of American workers.

These principles are as follows: Firstly, the workers will gain their freedom only after abolishing the capitalist system of private property and socializing the means of production. Secondly, the workers must wrest the power from the claws of the capitalist class. Thirdly, the workers must not regard politics as a private affair; politics, like economics, is the common business of all the workers. [23]

In this way De Leon educated the working masses with a view to freeing them from the influence of the opportunists.

De Leon attached tremendous importance to the trade unions. He saw in them not only an instrument of labor's self-defense

[22] Daniel De Leon, "*What Means This Strike?*" p. 19.
[23] Ibid., p. 30.

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against the capitalist offensive, but also one of the most important and necessary instruments for the overthrow of the capitalist system. The labor movement, he maintained, is the lance which will strike down capitalism; the party is the sharp point of this lance, and the trade unions its shaft. Without the latter the lance cannot possess the necessary stability, without strong, class conscious and properly organized unions the party is useless.[24] Only in view of the existing backwardness of the trade union movement in the United States and its division, is the bourgeoisie able to resort to threats of a general lockout in order to bring pressure upon the working class voters, as was the case in 1896 when, with the aid of this method, the bourgeoisie forced the election to the presidency of its henchman McKinley, and forced the defeat, not even of a socialist, but of the radical Democrat, Bryan. The importance of class conscious industrial unions thus consists also in that they must establish, at the proper time, control over production and lock out the bourgeoisie.[25]

Some time around 1904—when De Leon's peculiar system of ideas took final form——De Leon began to regard the trade unions as the nuclei of the future society, as organizations which would take over the direction of the economic life of society after the revolution.[26]

But the trade unions will be able to solve both their immediate and historical problems only if they adopt different ideas and a different system of organization. The craft union, De Leon urged, appeared during the early days of capitalism and represented an unarmed hand which the workers instinctively raised to ward off the capitalist blows. Since then capitalism has grown to manhood, has changed its structure and become converted into a nationally and universally organized monopoly organism, while the trade unions continue in the same infantile condition and preserve their antiquated, archaic organizational form. They represent obsolete weapons, completely useless in the face of a modern navy. The craft union is like a pint which cannot hold three gallons of labor[27] The trade unions must free themselves of their narrow craft egoism and reorganize themselves along industrial lines embracing all the workers in the given industry as well as those temporarily or permanently unemployed. The industrial union which connects up

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[24] *The Burning Question of Trade Unionism*, pp. 30-31.
[25] Daniel De Leon, *Socialist Reconstruction of Society*, New York, 1925. p. 43.
[26] This conception was stated by De Leon in its fullest form in his *Preamble of the Industrial Workers of the World* (1905). Since 1918 this work was published under the name of *Socialist Reconstruction of Society*.
[27] *The Burning Question of Trade Unionism*, pp. 21-25.

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the economic struggle with the political struggle, the immediate aims with the historical objects, is "power, while the craft union is impotence." [28]

"In the craft union movement only one section acts on the battlefield at one and the same time. By the fact that the other crafts idly look on, they betray those who do the fighting. In the craft union movement the class struggle is like a small riot in which the empty stomachs and bare arms of the workers fight against the well-fed and armed employers."[29] De Leon was fond of comparing the class conscious, industrially organized trade union movement with a fist, and the craft movement (by organization and ideology, the so-called "pure and simple" trade union movement) with spread-out fingers fit only to serve as a fan to drive flies off the face of the capitalist class. . . .

In the craft union movement De Leon saw the greatest obstacle to the victory of socialism. The bourgeoisie, he maintained, "strives to perpetuate the trade union movement in the antiquated form of craft unions as a powerful bulwark for the preservation of capitalism." [30]

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[28] *Socialist Reconstruction of Society*, p. 46.
[29] Ibid.
[30] *Unity*, p. 20.

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Resolution on the Situation in the C. P. of Norway and Its Tasks Among the Working Masses

1. The III Party Congress of the C. P. of Norway (February 1929), after a thorough analysis of the international and national situation, gave the Party a line which was in general in complete accord with the resolution of the VI World Congress of the CI. Moreover, the Party Congress resolved to carry out the new line in the direction of real Bolshevist mass work. These two sides of the activity of the Party were strongly emphasized also in the letter of the Polit Secretariat of May 19th, 1929. The resolutions of the X Plenum of the ECCI, which were discussed at a special Plenum of the CC, were bound to give the Party still further impetus for checking up on its mass work and carrying out the new line in this field.

On the basis of the thorough study of the situation of the CPN by the Norwegian Commission, the Presidium of the CI declares that in spite of the partial success of the Party in certain fields, a *decisive change* in the practice of the Party in its relations to the broad masses of the proletariat has not been carried out and this is true in spite of the generally correct line issued by the Party Congress.

2. The Presidium declares that the strength of the Party as well as its mass influence has not shown any significant growth during its past year, but on the contrary, a *sharp decline in* several important fields (membership, factory nuclei, loss of position in the trade union SAM organizations of Bergen and Skien, small circulation of the Party press particularly the central organ). In important industrial centers (Oslo) and important big factories (chemical works in Telemark, various others in Vestlandske, etc.) the Party is very weak or has no contacts at all (Rjukan). The Party has only 48 factory nuclei including about 12 percent of the Party membership. The work of the factory nuclei consists mainly in discussing various circulars of the Party Central Committee and in taking in membership dues. In 30 percent of the trade union organizations, the Party has its own fractions of which only a small portion function regularly. There is an extraordinarily large fluctuation in the Party which must be pointed out as a particularly serious evil.

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3. A marked weakness of the Party is evident even in all its partial successes and attempts to organize Bolshevist mass work (various campaigns, activity during strikes, campaigns against forced sales, action for the defense of the "Arbeidet" recruiting campaign). They show that even when the Party succeeds in organizing mass action (for instance, the Labor Congress) it is, nevertheless, unable to utilize it to extend its mass influence and consolidate its organizational positions. They show that in some sections of the Party there is a failure to understand factory work and a marked inactivity which may ultimately take the form of unwillingness to perform this work. Often in the factories greater activity can be observed on the part of the sympathizers and radical workers than on the part of the Communists. *The entire Party continues to lag behind the development of class forces,* or else, as a result of its weak mass contacts and poor preparation it is not in a position to launch a movement of the working class in spite of a relatively favorable objective situation (prolongation of the wage scale, revision of the wages of municipal workers, etc.)

All of this prompts the Presidium to declare that the contacts of the Party with the broad masses of the working class, its mass influence and its organizational situation continue to be *very weak and extremely unsatisfactory.* The Presidum further declares that in addition to these great shortcomings and weaknesses in the practice of the Party in its relations to the working masses, and in spite of a generally correct political line the CPN lacks a clear and consistent policy on many important questions (in its estimation of the social democracy, in the municipal policy, in the struggle against deviations.) Unless a real change over to Bolshevist mass work is carried out in every sphere of Party work and unless the necessary corrections are made in the policy of the Party, the present situation of the Party is likely to lead to a critical state in the relations between the Party and the working masses.

4. Such a development would be all the more dangerous for the CPN owing to the fact that the conditions of the third period of post-war capitalism—general culmination of the contradictions of capitalism, incipient world economic crisis, rising wave of the revoltuionary labor movement and the colonial revolution, the giant strides made by Socialism in the USSR, the unsteadiness of capitalist stabilization, the increase of the imperialist war danger and above all the danger of coounter-revolutionary attacks on USSR —call for a *strong Communist Party closely bound up with the working masses,* able to play the *leader role* in the mass movement through a bold and resolute policy of "class against class."

Norwegian industry is going through a period of increasing *depression* and *curtailment of production,* a drawn out *crisis* exists

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in *agriculture*. Through rationalization the bourgeoisie is increasing the exploitation of the working class. Unemployment is constantly growing and has already reached 60,000. Under the burden of debts and taxes important elements of the poor peasantry are being turned away from the land, resulting in an even greater swelling in the ranks of the permanent army of unemployed. Through the introduction of long term wage agreements and through the preparation of a general wage reduction the bourgeoisie is making a direct attack on the living conditions of the working class. It is being offered the greatest possible assistance by the NAP (Norwegian social democracy—Ed.) and the trade union bureaucracy.

A marked *radicalization* is taking place among the industrial and agricultural masses and a large portion of the village poor. The strike movement is growing in spite of all wage scale prolongations and owing to the feeling among the working masses the trade union bureaucracy is being forced more frequently to support these strikes financially. Demonstrations of sympathy are growing, taking the form in some places of offensive strugges of the working class (in some cases under the leadership of strike committees elected by the workers) and often lead to clashes with the capitalist state apparatus (forest workers struggles, the action of the unemployed in Lorenskog.) The Party must reckon on a *pespective of growing struggles* against capitalist rationalization and unemployment in industry and against the tax and debt burdens in the rural districts.

The Norwegian bourgeoisie, which by its very nature is *imperialistic* is arming itself for participation in the war against the Soviet Union (building up of the war industries, reorganization of the army, building new battleships, etc.) At the same time the state apparatus is becoming fascised and the fascist organizaations are being built up.

5. This situation confronts the CPN with the extremely important and great task of winning the leadership in a movement of the working claass as it becomes more and more radical. The Party can do this only through a *Bolshevist mass policy*, through the resolute mobilization of the broadest elements of the working class for united action against capitalist exploitation and the class-traitorous social democracy and for the class interests of the proletariat, and through independent leadership and organization of the struggles of the working class. The most important condition for this is revolutionary mass work in the factories, in the trade unions and among the unemployed masses and unorganized proletariat on the basis of a correct political line. A Bolshevist mass policy calls for a correct approach by the Communist Party to working masses, it calls for popularity and timeliness of its slogans, a patient and tireless struggle to win the sympathies of the working

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class, correct application of the united front tactic for conolidating the influence of the Party, all-around unmasking of the social democracy and the linking up of daily "detail work" with the general tasks of the working class.

6. The task of winning over and leading the movement of the working masses places the necessity for *struggle against the social democracy* in the foreground of the activity of the CPN. The special characteristics of the Norwegian social democracy (NAP) are constantly giving rise to right opportunists and even in many cases "left" deviations from the correct line towards the NAP in the CPN. These characteristics may be summed up as follows: overwhelming majority of proletarian membership on the basis of collective affiliation of trade unions, widespread mass influence, advanced developement of the leaders over to social fascism, continuation of this development as a result of interlacing with the state apparatus and as a result of government perspectives, and the possibility for various "left" centrist manoeuvres, even with success, in order to keep a hold over the increasingly radical working masses.

A successful struggle of the Party against the NAP will not be possible if the view prevails in various sections of the Party that the NAP is a real Labor Party. In many cases this view leads to collaboration of the CP with the NAP on a local scale, to renunciation of the struggle against this Party, to joint action with it in the municipal councils, to underestimation and denial of its social fascist development and to capitulation before the NAP. This continues to be the greatest danger for the CPN, because it means the liquidation of the independent revolutionary class line of the Party and its actual transformation into an appendage of the NAP.

However, the Party will not be able to maintain a correct line for isolating the NAP and winning over the proletarian masses, if it considers the NAP as the "leading Party of capitalism" (October Plenum of the CC,) which "both in its policy *as well as in its social composition* has lost every vestige of a workers' Party" (Labor Congress). It does not help to win over the social democratic factory workers, if they are treated by the Communists as social fascists or even "factory fascists." Equally unsuitable for helping the Party to struggle correctly against the Norwegian social democracy is the theory regarding the complete social development of the NAP as well as an underestimation of the manoeuvring ability of the social democracy.

Such incorrect views, by not taking into account all features of the NAP, isolate the CP from the masses instead of bringing them closer to the workers organized in the NAP. This is of value only to the social democracy.

Only if the entire Party recognizes the class treacherous role

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and true character of the NAP as the agent and supporter of Norwegian capitalism among the working class, only if it issues its tactical slogans of struggle against this bourgeois labor party in accordance with its social fascist degree of development and the various manoeuvres of the NAP, will the CPN be in a position to carry on a successful struggle against the NAP on the basis of a correct strategic line. Only then can it win over the masses of the working class which today support the NAP, and succeed in taking over the leading role in the mass movement of the proletariat.

7. In carrying out the task of winning over the *masses* of the industrial proletariat organized in the reformist trade unions of Norway, tendencies are apparent in the ranks of the Party towards capitulation before the reformist trade union bureaucracy, inadequate preparations for struggles, failure to understand the significance of committees of action, lack of clarity in slogans, a legalistic attitude, etc. (March 6th campaign, tactic in the strike of the municipal workers in Trondhjem, especially at the conclusion, campaign against forced sales, Oedegaard case in the raft workers strike, etc.) There are also tendencies to retreat from the trade unions, to transform the trade union opposition into parallel trade unions and to underestimate the necessity of strengthening the trade union opposition *also* by recruiting the unorganized workers for the trade unions (to some extent in the resolutions of the October Plenum and the Polit Bureau.)

On the basis of a clear class line and its proper application through carrying on Bolshevist mass work and organizing resistence against the reprisals of the trade union bureaucracy, the CPN will succeed in maintaining its *positions in the trade unions* and in considerably extending them. The best means to this end are the building up and daily work of the Communist fractions, the organizing of the revolutionary trade union opposition, the mobilizing of the organized and unorganized workers for the struggle for their daily demands, the establishment of committees of action, the preparation, organization and conduct of these struggles of the working class, the organization of the unemployed and the linking up of their struggle with the movements in the factories. Only if the Party most decisively combats all forms of right opportunist capitulation before the trade union bureaucracy and the rejection of the new strike strategy, and devotes its entire strength to fight back the tendency to retreat from the trade unions and establish new unions side by side with those which already exist, and the denial of the necessity for revolutionary work in the reformist trade unions, can it count on an improvement in the situation of its trade union work. Only in this way can the Party successfully prepare for the coming trade

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union conferences and the congress of the trade union federation in December.

8. Although the Party has organized a number of important united front activities (Labor Congress, Chemical Workers' Conference, Conference of the Trade Union Opposition, etc.) it must, nevertheless, be stated that the united front tactic, particularly the *united front in the factories,* does not occupy its due place in the activity of the Party, as the most important methods of winning over the masses. This is so not only because in practice it has been applied very little or not at all, but because in the resolutions of the Labor Congress for example, it is not even mentioned. The resolutions of the October Plenum, on the question of revolutionary bodies in the factories (workers' representatives, etc.) was completely ignored in practice. In a number of cases, however, the united front tactic—even from below—is regarded as opportunistic collaboration with the NAP. The Party will have to take up in a most determined manner the line of developing the united front of the working class in the factories in connection with concrete acts and labor struggles. The united front tactic from below must become the most important weapon of the Party in the struggle for the leading role in the mass movement of the working class. In this connection the Party must take over the *initiative* in all united front bodies, and through its activity in these struggles must make sure of having a leading influence over the masses in their common stand.

9. The policy of "class against class" calls for decisive combatting by the Party of all right deviations and of opportunism in practice within the Party. *Right deviations continue to constitute the greatest and most acute danger for the Party.* This is proved by the actions carried out by the Party as well as by its activity during economic struggles of the working class (Hojanger strike, strike in Trondhjem, forest workers strike, etc.) The Party must bring its entire membership into the struggle against this main danger. Every form of conciliation against the right danger must be combatted and overcome in the ranks of the Party. More than ever before, the Party must carry on this struggle by means of a thorough *explanation* of the social democratic nature of right deviations, and draw the Party masses actively into the struggle for the Party line. The right opportunist *renegade group* must be unmasked by the Party and completely isolated from the masses.

At the present stage, however, the Party is also threatened by a "left" sectarian danger. Petty bourgeois "revolutionary" ideology comes to light in various fields of the Party work. Therefore the Party must *carry on a determined struggle on two fronts. Against right opportunism* which results in the Party lagging behind

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the masses and against *"left" deviations and extremism,* which leads to the isolation of the Party from the great mass of workers.

10. There is a great difference between the practice of the Party and its various resolutions. This is one of the main weaknesses of the Party and is most closely linked up with hangovers from the old social democratic movement and deviations both of a right and a "left" character.

The generally correct resolutions of the III Party Congress, as well as the resolutions of the October Plenum and the Labor Congress have for the most part not been carried out and in no case have they been understood by the Party membership. In fact, there is no doubt at all that a great part of the Party membership has not even seen them. Owing to the fact that the adoption of various resolutions in many cases is not followed by immediate application or even any application at all, members fail to act, and lag behind owing to their failure to understand how to apply the general resolutions to their own activity. This strengthens the tendencies of Party members to renounce mass work, particularly factory work. This conceals within itself the danger that the very best resolutions of the Party Central Committee may become empty phrases. The practical carrying out of mass work in the Party is often replaced by theorizing on this subject. The resolutions of the Party Central Committee are too *general,* and not sufficiently concrete. They show a certain *mechanical* acceptance of the line of the CI without the Party Central Committee being capable of assisting the members by concrete instructions. During the past months a step forward has been taken in this direction. This, however, is not enough.

The Party must put definite end to this failure of application. The Presidium calls upon all Party members to do away with the difference which exists between the resolutions and the practice of the Party by *overcoming opportunist passivity,* increasing mass work and assuring the *concrete leadership of the Party.*

11. Owing to the fact that the most important questions which face the Party today must be decided in the factories (struggles of the working class, winning over the working women, working youth, etc.) the Party must place *factory nucleus work* in the center of its attention. Above all the Party must proceed on the basis of a real and concrete plan to the establishment of Communist nuclei in the *big factories* (Oslo, Vestlandske, Oestfold, Trondelag, Buskerud, Telemark.) By means of concrete leadership, instruction and assignment of tasks, the enlivening and activization of all existing nuclei must be immediately carried out. All nuclei in the larger factories must publish *nuclei papers.* In order to facilitate the establishment and activization of the nuclei the Party must apply

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the methods of shock brigades, revolutionary competition, etc. The Org. Department of the CC and of the respective district committees must be made responsible for current instruction of the nuclei. By representing the workers of the factory on all vital questions, by rallying the sympathizers around itself, by promoting the activity of the trade union opposition, by working to establish the system of revolutionary workers representatives, by proper utilization of the auxiliary organizations (Red Aid, WIR, FSU) and by distribution of the Communist press and recruitment of new readers, the factory nuclei in many factories can succeed within a relatively short time in taking over the leadership of the factory workers and in isolating the NAP from the masses, as was shown by the example of the Blickvalsverket nucleus in Bergen.

It will be necessary for the leading comrades of the Polit-Bureau of the Party while working in Oslo to be drawn into the daily work of the factory nuclei and thus give practical assistance in strengthening the weak points of the CPN.

12. The work of the Party in each separate factory must be organized in such a way that the nucleus always knows the attitude of the workers in the factory and utilizes every adequate occasion for the *development of struggles*. The weakness of the Party up to now has consisted in the fact that neither in the factories nor in the trade unions has it made sufficient preparations for the struggles (no preparatory campaigns, no committees of action or strike committees, or else inadequate work of such committees if they did exist, turning the leadership of struggles over to the hands of the reformists, etc.) By developing Bolshevist work in the factories the Party must prepare for the struggles of the working class far more effectively and work to give them a political character (the establishment of preparatory committees, the drawing in of the unorganized workers, the working women and the working youth, getting them to participate on the committees of action, the linking up of concrete demands with the general slogans of the working class, the development of sympathetic action.) The Party must make every effort to get control of the leadership of struggles by means of the committees of action, to have these struggles in the hands of the Communists and thus increase and extend its influence among the masses.

13. The Party's task of organizing and conducting the struggles of the working class and winning over the working masses can be carried out only if in addition to the work in the factories the Party takes up its work in *the trade unions* as its most important sphere of activity. The Party must clearly understand that as a result of the interlacing of the trade union bureaucracy and apparatus with the state apparatus, the conquest of the *apparatus* of the

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trade unions will not be possible, but this in no way means that the Party must renounce its efforts to win over the *SAM organizations* or even the lower locals of the trade unions. At the present stage of development a struggle can and must be carried on to win over these organizations.

The work of the Communist *fractions* in the trade unions serves as a preliminary condition for winning over the trade union members. These constitute the most important instrument for the Party in its trade union work and are the backbone of the *Trade Union opposition movement.* Therefore, first of all, all members of the Party—insofar as possible—must be organized in trade unions, and secondly, in every trade union where there are Party members these must be organized into a fraction. One of the most important methods for consolidating the trade union opposition in the factories is the system of *factory worker representatives.* From now on the Party must concentrate great attention on building up a network of workers' representatives in the factories. (See the resolution of the Polit Commission of June of this year on the question of the Conference of the Trade Union Opposition.) Also in the *Workers' Sport League* the Party must strengthen its fractional work in order to win over the working class elements in this League and devote the greatest energy to mobilize the broadest possible masses of the working class against the split policy of the reformists.

14. The third field where the Party must devote most strenuous efforts is the Party press. The publications of the Party, which are its most important channel of approach to the masses, must be conducted in such a way that they will be recognized by the masses as their own papers, as their vanguards and as their organizers. This calls first of all for a revolutionary language, comprehensible to the masses and *contact with the factories* and with the masses of workers. The publications of the CPN at the present time are lacking in both these qualities. They are of a too rigidly Party character. In order to overcome this it is necessary to proceed vigorously with the building up of a network of *factory correspondents.*

In order to guarantee the economic existence of the publications and increase their circulation, the Party must devote more attention on the one hand to better editing and on the other hand to better distribution of the papers. Canvassing for advertisements must be better organized and broad elements of the working class must be drawn into financial support of the Party press. (Friends of the Party Press groups must be organized everywhere, etc.)

The central organ and other Party publications must serve as important instruments for carrying out these directives of the C.I. The CC, the Polit Bureau and the Party Secretariat must at once

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take all practical measures to deal thoroughly in the Party press with the experiences of the application of this resolution particularly in connection with the carrying out of recruitment work, the struggles against fluctuation and the consolidation of factory nuclei and the trade union opposition. The work of the various organizations must be clearly shown which calls for maximum support of the lower organizations by the Party press, particularly the Central Organ, in order to develop self-criticism from below.

15. The Party must lay the greatest weight on the *recruiting of new members*. Properly functioning factory nuclei can be organized by the Party only if it carries on a constant work of recruiting among the increasingly radical workers in the big factories and utilizes all its activities for recruiting new members. The Party can extend its influence also in the rural districts if it utilizes the struggles of the agricultural workers, fishermen and village poor as an occasion to recruit new members. The Party must bring new masses of the proletariat into its ranks. It will find these workers and can recruit successfully among them if it participates properly and actively in the struggles of the proletariat and the daily "detailed" work in the factories. At the same time, however, the Party must work to investigate the causes for the great *fluctuation* of members. If revolutionary workers come to us and after a brief period leave the Party the main cause for this must lie in the shortcomings of our Party work. These causes for fluctuation must be brought out and abolished. Everywhere broader elements of workers who show greater activity in the factories or trade unions (both Communists and sympathizers) must be drawn in to discuss the causes of the fluctuation and the best methods for overcoming this evil.

The Party must also do a great deal to strengthen its present force of *functionaries*. New elements must be constantly drawn in from the active workers. These functionaries must clearly understand the significance as well as the bolshevist method of mass work, and be closely bound up with the working masses. Together with the organizing, training and education of new cadres the Party must maintain a system for their *permanent instruction*.

Furthermore, the Presidium considers it necessary that the methods of leadership be changed in the direction of a close and live contact of the CC and the district Committee with the lower organizations as well as in the *concrete instruction* of the latter. Better organized *collective action* in the work of the Central Committee is also necessary.

16. The Party must devote special attention to the *support of the YCLN* in order to assist the League in pulling through the critical situation which now exists, in carrying out a new line in all

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its work and setting about seriously to carry on a permanent struggle for the interests of the working youth in the factories, trade unions and workers' sport organizations as well as for the interests of the unemployed youth, in order to win the mass of young workers over to the YCLN. In establishing and building up the local groups and factory nuclei of the League the Party must offer assistance such as sending Party camrades capable of instruction work. Moreover, the Party must offer much stronger support to the Pioneer movement.

As for the work among women the Party must first of all check up on the carrying out of former resolutions on the organization of this work, build up its apparatus for women's work and concentrate its attention on the recruiting of working women. Methods to be applied in this work are: meetings of women delegates, conferences of working women, committees of working women for the conduct of various campaigns, drawing the working women into the commitees of action, etc.

17. *Bolshevist self-criticism* must occupy a greater place in the Party. It must be conducted on a *broader basis*. It will make possible permanent control of the carrying out of the Party resolutions and will strengthen the preparation of the Party for coming struggles by utilizing the experience of the CPN and the entire Comintern. As a *method of Party education* as well as education of the masses who sympathize with us and as an integral part of internal Party democracy, self-criticism must serve directly to promote the work of the CP. It must not take the form either of a hunt for "the guilty one" nor in justification of past mistakes and neglect on the grounds of "objective conditions." Self-criticism must help the Party to make a correct estimation of the work carried out and to disclose the causes of errors and shortcomings in order to abolish them and thus bring broader masses into the revolutionary movement and into the Party.

Only under these conditions, only by developing revolutionary work among the Norwegian masses in the proper manner and on the basis of a clear political line will the present difficult situation be overcome.

The directives contained in this resolution are of particualr importance for the coming *election campaign* in which the Party must take an independent stand against the bourgeois bloc and its agent, the NAP. The task of the CPN in this campaign consists in effectively mobilizing the masses of the working class against capitalism and its agents and for the slogans of the revolutionary proletariat.

18. In order to be able to estimate correctly the extent to which the Party has carried out its tasks and to get a good picture of the

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entire activity of the Party the Presidium considers it indispensible for the Party Central Committee to send *regular reports* to the ECCI. The Presidium considers it necessary for the CC of the CPN to work out *a concrete schedule of work* for the entire Party on the basis of this resolution, and assign definite concrete tasks to all districts, factory nuclei, trade union fractions, subscriptions for the press, etc. After four months a general report of the CC of the CPN on the accomplishment of the tasks set forth in the resolution must be submitted to the Presidium.

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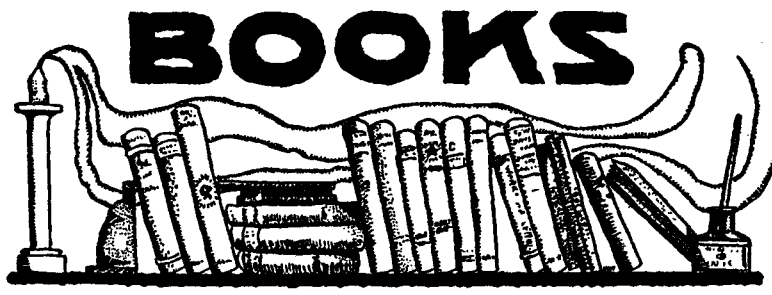

THE DILEMMA OF A LIBERAL HISTORIAN

HARRY ELMER BARNES, "WORLD POLITICS IN MODERN CIVILIZATION," Alfred A. Knopf, Pub., 1930.

Reviewed by DAVID GORDON.

Mr. Barnes' latest contribution to historic, sociologic and political thought is a monumental summary of the dilemma of the liberal historian. Mr. Barnes has eyes that see much, ears that hear much but a mouth, via the pen, which utters such misrepresentations and misunderstandings of historico-political events that we must accept in this case the well-worn saying that knowledge is not wisdom. He, or his students for him, has brought together in one volume a vast amount of significant data, for the most part, which require the systematic interpretation by a student of Marx, Engels and Lenin.

The true philosophy of history is the Marxian theory of practice as stated in the Thirteenth of his unelaborated theses on Feurbach: "Philosophers have hitherto merely interpreted the world, now it is time to change it." That philosophy or theory of practice which will and does change the world is embodied in the Marxian-Leninist strategy and tactics of the proletarian revolution. "Practice" was developed into a system of thought by every group in society in given periods, when they rose to ascendency by the revolutionary overthrow of the previous ruling class. The revolutionary theory varied in the given periods according to the nature of the new system of society: thus a feudal hierarchy as against a slave state, capitalist property relations as against feudalism, and, which has been on the order of the day for above a decade, a socialist system as against capitalist exploitation. The philosophy of the liberal is not one of change in the above sense. It is one of smoothing the rough edges of the effects of capitalist rationalization upon the working class of the home country and upon the colonial peoples. It is a theory of social reformism, objectively or subjectively, an acceptation of capitalism and, finally, an active force against the militant struggle, of the proletariat against the class in power. It is a theory which places a white tassel on a long range gun with the naive hope that it will prevent the shells from being shot forth.

In handling his materials Barnes takes what might be called the historical method. This historical metod is used in order to properly present the background of world politics in its contemporary aspects and to point to possible suggestions of improving the present situation. The theme of the book is the World War: the cause leading to it, the results arising from it which

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created bases for new wars and the "plans" for "preventing" wars in the future.

The contents are divided into five parts, most of which have great possibilities for clearing the mess of material that has arisen around the last imperialist slaughter. These are the divisions: The Origins of Nationalism; Modern Capitalism and National Imperialism; Nationalism; Capitalism, Imperialism and the World War; The Rise and Fall of the Legend of a Holy War; Patriotic Mendacity *Versus* World Order: The Attempt to Salvage the Wreck of Europe.

The last title gives an indication of the ideology, and consequently the "historical" interpretations and "practical" suggestions, of the author. In spite of the fact that he himself admits the economic conflicts as the *most important* factors which led to the last great war, he nevertheless allows the secondary features, which he considers of great importance, to typify the causes of war as a whole. The title presumes a fact: that the capitalists of the world could have prevented the events which led to the war, that they could have changed the situation of which they were subjective factors, which was dictated by the historic phenomena which determined their status in society and their manner of reacting to matters of social interest. Their reactions were such given the situation before the world war, that they could have only postponed, if even that, but never prevented a war. We will deal with this later.

This brings us directly to the method of Barnes once more. To his historical statistics he adds the "new" fashion of psychologizing. One should not allow this word to frighten him. It is very simple. It is merely a rehashed acceptation of the idealist philosophy of history. This shamefaced attempt to be original consists in setting forth the theory that given sensible, to use one of the subjective terms psychologizing historians use, men, the very most strained situations could be alleviated. Or, as said above, the right sort of people in power in 1914 might have prevented the war. Therefore, since they did not have such men, so much the worse for the world.

From the very start Barnes does not see the various contradictions in world capitalism which were bound to bring on war and which are at work at present to bring on new wars. In fact, imperialism does not seem to be a repugnant institution. He believes that it could be utilized for the good of all! "Imperialism, if more judiciously and discreetly practised, might have promoted international and intercontinental good-will." "Imperialism . . . . more judiciously and discreetly practised!" This hypocrisy (or profound professorial and liberal stupidity) in the face of imperialist exploitation at home and abroad in every capitalist country. Such an analysis in the face of fact, in the face of American depredation in Nicaragua, the sending of marines to suppress worker and peasant uprisings in China, of Great Britain's bloody fight for her profits in China and India, of France in Morocco, Italy in Tripoly!

What is Barnes' conception of capitalism that he can state such a distorted theory? We find it on Paage 42.

> "One of the most striking and characteristic phases of the development of the modern order was the beginning of what is commonly called modern capitalism, namely, the creation of relatively large fortunes available for various types of economic

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> enterprise. Along with the growth of private capital there went, of course, a marked increase in the income of the state, private and public capitalism thus developing together."

If we were to go into even a fair-sized summary explanation of like misrepresentations and "oversights" made by Barnes in this book, it would require a volume at least half the size of Barnes' own, which is 600 pages long. We cannot even go into a detailed analysis of the above citation since it would make the present review longer than it should be. Yet a few words may be said.

Barnes amiably and cheerfully avoided that ugliness of the entire history of civilization which characterized it in all its epochs and which was so admirably summarized by Marx and Engels in their famous proletarian document, the "Communist Maanifesto:" "The history of all hitherto existing society is the history of class struggles." To Barnes, fortunes merely increased and many men became rich "solely as the result of energy, application, and sagacity in constructive business and commercial ventures." Capitalist commodity production, making the mass of feudal handicraftsmen dependents on the owners of the new machine means of production, the production of commodities for exchange and not with a view to satisfy human needs, for the purpose of accumulating a surplus value of profit created by the newly created wage earner; the concentration of capital in the hands of a few and the separation of the worker from ownership of the means of production; wage labor as opposed to feudal or slave labor and the consequent surplus value that the laborer creates for the capitalist; all these characteristics of capitalism are not mentioned by Barnes. If there is an exploited and suffering proletariat, he implies, this is a special situation which arises from industry itself but not from the general development of capitalism. The latter is not bad, as though the proletariat moralizes when it strikes or revolts for an improvent of its position or the capitalist class moralizes when it places millions in a condition of starvation in order to keep its profits. The point is, he states, that capitalism must be governed by sensible men! As though the capitalist owned sensibilities can be placed at any other task than that of keeping the working class in subjection! Oppression of the workers is bad; we must therefore make them satisfied. In other words Barnes again shows that he wants capitalism to continue existing and exploiting. Perhaps he considers himself a member of the category of sensible men explained above.

Let us now see how he defines imperialism: At first he is afraid of tackling a definition. "To the writer it appears that it is best to abandon, for the time being, any of the old single-track dogmas concerning imperialism, and make a careful study of the actual facts, in order to find out just what contemporary imperialism really amounts to." (p. 188.)

Then he assumes "that the imperialistic process is essentially the following:

> "1. Merchants and bankers recognize the opportunities for pecuniary gain in certain relatively backward political and economic areas.
>
> "2. Their penetration is followed by appeals to the foreign offices of their respective states.
>
> "3. These requests lead immediately to military intervention and the political administration of such areas." (p. 188)

Sometimes, he says in qualifying these general tendencies (!) of im-

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perialism, there is no political or military intervention. Further, he states that the study of the facts does does not imply that he will emerge an apologist for imperialism and a few sentences after adds this:

> "....We need to relinquish the somewhat simple-minded hypothesis of the construction of the conscious, overt, and undeviating diabolism of contemporary imperialism. There is no doubt that as society is organized today, we have certain definite needs which can be met only by obtaining markets overseas and by securing raw materials from foreigns areas." (pp. 188-89)

Because these are the realities we meet with today, to "modify or eliminate this situation" means that we must *in some manner* change the nature of society today. Whether Barnes approves of this or not he leaves unsaid. Nor does he even recognize that there is an important activity in bringing about such a change of nature of society as embodied in the teachings of Marxism-Leninism and in the activities of the Communist Parties of the world.

In Barnes' definition of imperialism the subjective factors again take the leading role. It is necessary to see what Lenin said in regard to the main features of imperialism. He wrote:

> "(1) The concentration of production and capital, developed so highly that it creates monopolies which play a decisive role in economic life.
>
> "(2) The fusion of banking capital with industrial capital and the creation, on the basis of this financial capital, of a financial oligarchy.
>
> "(3) The export of capital, which has become extremely important, as distinguished from the export of commodities.
>
> "(4) The formation of international capitalist monopolies which share out the world amongst themselves.
>
> "(5) The territorial division of the whole earth completed by the greatest capitalist powers." (Lenin, Imperialism, pp. 103-04)

This definition, Lenin explained, is limited to the economic factors of imperialism. A comparison between the two definitions shows that the liberal Barnes is over-simplifying and obscuring things, an accusation which is often and falsely leveled at Marxians.

Barnes' definition speaks of backward countries only being exploited by imperialism. Lenin later showed that the export of capital is not limited to backward countries alone. Barnes nowhere suggests the necessity for imperialist war arising from the conflicts of imperialistic interests. In his elaboration of the fifth point above quoted, Lenin stated:

> "We ask, was there *under capitalism* any means of remedying the disproportion between the development of production and the accumulation of capital on the one side, and the division of colonies and spheres of influence by finance-capital on the other side—— other than by resort to arms?" (ibid., p. 115)

On the other hand Barnes spends pages in trying to place the guilt of the war not on the contradictions in imperialist society but upon particular

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nations. He spends many pages on this problem with the result that Cazrist Russia and France bear the brunt of his condemnation.

As to the causes for war, although he verbally admits that the economic causes of war are the greatest forces, he nevertheless gives considerable weight to the following subjective "factors": the pressure of population, jingoism, nationalism, increasing population.

One begins to marvel at this learned professor of a learned university. He has lived through the world war and through the various wars and revolutions that have occurred since and still he must learn from a Pioneer that wars arise from a conflict of imperialist interests, for sources of raw material, for markets in which to dump surplus commodities. And only such a person can say that "if the League (of Nations—D. G.) has done nothing to curb armaments, it has at least created machinery to curb the hasty launching of an actual war, provided this machinery can be put into operation." (p. 531)

The proletariat is the class which suffers most from war. Imperialist wars are fought for the benefit of the ruling class. To offer the greatest sufferers of war the very questionable cheer that wars may not be precipitated of a sudden, but there would be a common knowledge of the time of engaging in conflict in order to successfully mobilize the armies, cannot be a solution to their problem. The proletariat can find assurance only in a war for their own interests, and against the international capitalist class which is to be achieved by the workers of the various capitalist countries turning against their own bourgeoisie.

Again, there can be no faith placed in the curbing of "the hasty launching of an actual war." As a matter of fact, as we have said above, there have occurred many wars since the last world war. Or if the imperialist powers will take a little time before entering into actual battle it will be only because they know that this time they will need to spread more lying propaganda and to persecute the revolutionary organization of the working class more viciously than they did in the last war.

Fearful of making a summary of his own book, Barnes quotes the opinion of one Mr. MacDonald as set forth by the most likely distinguished doctor in one of his articles:

> "It is for the generation that is too young to cherish animosities, and that clamors for freedom and insists on being heard, to complete the righting of the wrong that time and necessity have not yet redressed." (requoted on p. 599.)

This presupposes several things: One, that the new generation is being brought up in a spirit of liberal-mindedness, which liberals think means looking at both sides of questions. The very fact that the American universities are feeling the effects of capitalist rationalization belies this. Those few students who turn to the revolutionary movement or to movements of thin, "humanitarian" or falsely proletarian tendencies are an insignificant handful while the majority of the students, who are of the middle and capitalist class, are receiving the very worthy lessons of fascization and anti-proletarian hate.

Secondly, what wrongs have been righted? The assertion on the part of professors that Germany was not to blame for the war? That is not a wrong righter but an important section of the truth verified by "learned" men. Thirdly, it is not the abstract younger generation but the very con-

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crete revolutionary labor movement led by the Communist Party, in which the proletarian youth will take a very active role, that will "right" the "wrongs" committed by imperialism, in the manner that was done by the workers of Russia in 1917.

In many of his pages Barnes recites many facts that are very condemnatory of the capitalist class. In winding up his book he doesn't want to scratch the skin of the most important paymasters of university professors and remarks:

> "It is necessary, however, in the interest of fairness and truth to recognize that the bankers have been frequently quite unfairly abused in the sweeping assertion that our interventions abroad have been invariably brought about by the pressure of the investors upon the State Department. Not infrequently the process has been exactly the reverse and the State Department has brought pressure on the bankers to buy bonds of Latin-American countries." (p. 602)

The second sentence of the above citation shows that the State Department understands the interests of the bankers without the necessity of being remined of it. And when we remember that in the last decade as never before in the history of the United States and the American capitalist class has taken political and government offices then we can readily see why there was no necessity of pressure upon the State Department. Barnes refuses or cannot see that the capitalist class forms a capitalist government and that the interests of the capitalist class are necessarily voiced by its political puppets or by themselves in office.

But if, according to Barnes, the bankers are not very responsible for American investments in Latin-America then they are equally not responsible for the armed aggressions there. This is another matter of war responsibility which we should answer only with a word: that the working class does not accept such explanations of imperialist wars. It looks at the situation objectively and plans, through the Communist Party, a determined struggle against imperialism and imperialist wars.

To a book of facts which fill a bit over 600 pages, a book which happens to have many significant facts at that, one might expect a forceful summary. From what has already been said we can see that such a summary will not be forthcoming. And it is so. Barnes writes:

> "It (constructive liberalism—notice that he is afraid of any "destructive" liberalism, as though such a thing were possible except in aiding workers—D. G.) fully recognizes . . . .that war can not be eliminated without some transformation of that social economic, and political system which makes war always possibble and at times seemingly desirable." (p. 607)

The profundity of this remark is breath-taking. Only a liberal historian could allow himself to be suspended so ridiculously in mid-air. There must be "some" transformation of society. Let us not show how "transformation" means upholding the present system. Yet how in the world can Barnes think that even one of his own cultured colleagues could be edified by such an empty remark. The working class, of course, rejects such an abstraction and follows the Communist Party in its revolutionary course of changing society and ending imperialist wars by such action.

If one would discount the opinions of Barnes, then one must agree that

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he has managed to secure many important facts and to present them within the bounds of one volume. As a ready reference book to many events of contemporary history and as a book containig an excellent bibliography of the works of other professors, etc., it is helpful. As a helpful analysis of capitalism, imperialism and war the book must be rejected by the working class for its liberal, reformist position.

BOURGEOIS APOLOGISTS AND THE SOUTH

SOME SOUTHERN COTTON MILL WORKERS AND THEIR VILLAGES, by *Jennings J. Rhyne.*

INCOME AND WAGES IN THE SOUTH, by *Clarence Heer.* Institute for Research in Social Science, University of North Carolina.

Reviewed by MYRA PAGE
(Author of "Southern Cotton Mills and Labor")

The Institute for Research in Social Sciences, of the University of North Carolina, has recently published two more books in its scientific and impartial series on economic, political and agricultural conditions in the South: "Some Southern Cotton Mill Workers and their Villages," by Jennings J. Rhyne, and "Income and Wages in the South," by Clarence Heer. Other companion volumes in this *impartial* series are Broadus Mitchell's eulogy of "William Gregg, Factory Master of the Old South," and Harriet Herring's "Mill Welfare Work," written in praise of mill company paternalism by a social worker employed for a number of years by one of the largest mill concerns in the South.

MILL BARONS AND "IMPARTIAL" PROFESSORS

This series, which aims to give "both sides of every social question," is sponsored and financed by a state university whose governing board and controlling legislature are dominated by textile and other business interests. On the face of it, the professors would have us believe they have achieved a truly remarkable thing. They are editing a series which tells the-whole-truth-and-nothing-but-the-thruth-so-help-me-god on Southern labor conditions, and at the same time are holding their jobs, at the pleasure of the mill barons. Tell us another, professor. But excuse us if we smile over this pretense of bourgeois social scientists at impartiality and objectivity. Also, we will no doubt offend your cautious, sensitive natures by a little proletarian straight talk and impatience at the sorry role which you and your kind play in the modern social world.

The historical background of these studies explains a great deal. About five years ago, when the North Carolina department of social science first began to poke around in mill villages, gathering a few facts, the Southern textile interests harshly called the professors to order, and put them in their place. The *Southern Textile Bulletin*, official spokesmen of the mill-owners, told their hirelings in plain words to "stick to their knitting and not engage in breeding radicals and reformers." These villages were mill property and if any wild-eyed professors went in there investigating, there would be a quick accounting. In vain the quite respectable professors tried to explain that their proposed investigation was entirely misunderstood.

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What the University wanted to do was help the manufacturers solve such problems as high labor turnover. But the manufacturers turned a deaf ear, and the professors, upset by the "unfortunate incident," returned to their knitting.

Nevertheless, in spite of the conspiracy of silence agreed upon by mill-owners and the University, the ugly facts of mill village exploitation and tyranny continued to receive publicity. The mill-owners railed angrily against this "adverse propaganda," blaming it all on labor agitators who stirred up their contented help to go on strike, and on competitive mill interests in the north. The latter utilized the U. S. Bureau of Labor Statistics, of the Department of Labor, to make investigations revealing Southern conditions. Obviously the Southern manufacturers had to fight back. It was at this juncture that the University of North Carolina, with its Institute for Research in Social Science again undertook *impartial* investigations into mill village life. Such is the relation between bourgeois pseudo-social science and the present capitalist system. The masters have called the tune and the puppets step out to do their stuff.

BOURGEOIS PROFESSORS AND GASTONIA

The first products which the Institute has issued on current mill life are Herring's book on *Mill Welfare Work* and Jennings Rhyne's book, now being revised, *Some Southern Mill Workers and their Villages.* The title itself is significant. Since when has it been possible to refer to these company-run towns as "their," i.e., the millworkers' villages? The Institute considers this book as a sort of answer and explain-all to the Gastonia strike. The jacket carries these words, "The study is particularly appropiate at this time, since it was made in Gaston County, the scene of *recent labor difficulties* which have engaged the attention of people all over the world... Since the study was brought to a close before the development of *labor troubles* in Gastonia in 1929, it fortunately provides data gathered from an *undisturbed* setting." (Emphasis mine, M. P.). Such phrases as those emphasized are ones of bourgeois partisans.

Likewise, the author's petty-bourgeois outlook exposes itself in the Preface, and the pre-determined conclusions are all fore-shadowed in the first ten pages of the bood. In the Preface, Rhyne makes acknowledgement for "the co-operation and invaluable help received from mill superintendents, county officials, and all others who have contributed toward making the study possible." Again, an unintentional give-away. The millworkers whom Mr. Rhyne interviewed, undoubtedly received him as the company representative he was, and answered his prying questions accordingly. In consequence, the study is not what it claims to be—a study of Southern mill workers' lives and conditions—and the author's findings are worthless.

The author's philosophy and the theme of the book are given on the second page when he says, in reference to Gastonia and other strikes, "Although an unhappy chapter in the history of the textile industry, increasing unrest might well be viewed as a forerunner of the ultimate readjustment between capital and labor and a means to a greater co-operation and understanding between them. But would the South profit?" First the author states his agreement with the capitalist idea of heaven on earth, class collaboration (of course on the bosses' terms). Then, in his next sentence he puts forth a mythical, classless, "the South." This blurring and covering

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up of issues is characteristic of many bourgeois professors, who either are confused and wavering in their own minds, or are lacking in courage to face frankly and squarely the issues of the class struggle.

A VILLAGE CHILD COULD TEACH THEM.

Mr. Rhyne posits a series of questions which he says emerged from the Gastonia situation, such as "Was the cotton mill worker rebelling because of his natural dissatisfaction or was his unrest stimulated largely from without?" (Behold the mill owners' Moscow agitators theory). "From whatever source, was he justified in rebelling at the industrial program? Was he being exploited by the employer? Did he have unduly long hours and low wages? Should he be permitted to join a union? Was he being coerced either to join or not to join?" There are many more of these amazingly naive or crudely hypocritical statements. The editors tell us that Mr. Rhyne is peculiarly fitted for his task, since he lived for several years in Gaston County, yet he can still ask such questions as, "Are mill workers exploited? Do they work unduly long hours?" What a tribute to the penetration with which bourgeois social science equips its followers! Any seven-year old village child knows the answers to these questions. But the scientist tells us, with touching humility, that his study can answer but a few, and that we can not get an answer to many of them until many more studies have been made. In the meantime—and here is the whole point of the matter—it would be unwise to rush into action. "We" must proceed cautiously and slowly, and investigate and then further investigate and then—. In the meantime, professor, the class struggle which you attempt to apologize out of existence is developing by great strides, and Southern mill workers (whom you, with typical petty-bourgeois distrust, pity and scorn as "ignorant," "shiftless," "complacent," "with no faith in themselves," and indifferent to unionism), are organizing and demonstrating in action the shallow falsity of your argumets.

THE APOLOGISTS TURN ARTIST

The author rather cleverly contrives to give a reader, unfamiliar with Southern mill life, an entirely untrue picture. This he does by admitting that there are some bad mill village conditions (this is a trick of the trade, to make a show at *impartiality* by admitting some of the facts which are too obvious for even a bourgeois professor to successfully deny), but he strives to make the reader feel that these bad conditions are the exception rather than the rule, and that "progress in improvement of the villages has kept pace with increasing prosperity of the industry" (p. 28). Glowing descriptions are given of model villages, with paved streets, shrubbery and trees, bungalows with all modern conveniences. The implication is that these are typical villages. Schools are said to compare favorably with the best in the state, although Cook's study of "Mill Schools in North Carolina" and the reviewer's findings revealed quite the reverse. The churches, built and owned by generous companies who have their workers' welfare at heart, are viewed as a constructive community force. Various references are made to workers' automobiles, but the facts are there are rarely more than three to a village and these are usually owned by foremen.

In a section headed "A Cotton Mill Worker's Day," a charming picture is given of doffer boys lying under the trees, and of women spin-

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ners sitting in mill windows, enjoying friendly conversation and summer air, all on company time. Welfare work is played up at various points in the book, and a chapter is included on those mill employees who have "made good" by becoming mill superintendents or other officials! Mr. Rhyne blames mill workers, rather than the companies, for the small amount of education received by village children. The above are merely examples of the bourgeois ideology and many perversions with which the whole book is permeated. (The author, by the way, probably considers himself very sympathetic and charitable toward mill workers, and will resent this review of his book as "unfair and extreme, but what else can one really expect from Communists?").

BOOSTING MILL WAGES

On the question of wages, Rhyne again has to admit what can not be successfully denied, a large discrepancy between northern and southern textile wages. He even refers to southrn wages as low. Surely this is impartiality! But wait. These low wages are immediately boosted and glossed over, by adding to the actual sum paid in wages, the amount of $4.36 per worker per week, for "reduced rental charges and all the forms of industrial welfare work." Needless to say, this figure is the southern mill barons. By one fell swoop, the average yearly earnings of all mill workers in four southern states are boosted $226—from $644 a year to $870.20. In this way, the marked discrepancy is considerably reduced.

However, the picture is still not touched up enough. So the reader is told that it is really a mistake to judge by individual wages since the southern cotton mill is a family industry, and we must therefore consider family income, in order to get a true picture. Wages of children and working mothers are added in, and this brings the average wage per family to $1,300 a year. The reader can almost hear the author sigh with relief. From a census figure of $644 to $1,300 is really not so bad. The mill-owners should appreciate and reward his efforts. Finally, Mr. Rhynes argues, the mill workers' position is considerably better than that of his Poor White relatives on the land; and furthermore, his industrial efficiency is obviously quite low. So, altogether, things are not as bad as they might be. The reader is left with the definite impression that the author's answer to his stupid question, "Are millworkers exploited?" is *No!*

Unionism is dismissed in three pages. The author concludes that mill workers are too individualistic and too personally devoted to their employers to be greatly interested in organization. The workers' disgust with the U.T.W. after the 1920 strikes in North Carolina, and their natural discouragement following their betrayal and defeat, is perverted in the book into a company argument against unionism, supposedly issuing from out the mouths of workers! Here is what the author says, "A general feeling developed among the workers that, after all, the owners of the mills were more friendly to the workers than the northern organizers," and there is "a widespread feeling of suspicion on the part of the workers against any further attempts to organize by outside interests." (p. 206-207). Gastonia, which is not mentioned in this section, has revealed the flimsy base of the author's reasoning.

But Mr. Rhyne, we must call attention to the total omission of such
Could the mill owners ask more of their scholastic hireling than this!

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facts as company intimidation and domination at every turn, the high death tolls among millworkers from the dreaded t.b. and pellagra, the high infant mortality, the semi-starvation and struggle to make ends meet, the mounting unemployment, the loan sharks who live off the workers' necessity, the true role of the company church as a dope-peddler and company propagandist, the exploitation of Negro workers and the company's fostering of race prejudice for its own ends, the workers' thwarted plans for their children, and above all, the deep-seated discontent which has long been seeking outlet but until recently has lacked any organizational expression. Was this *impartiality*, to overlook these facts? The reviewer was for some time in the same Gaston County covered by Rhyne and around the same period, but the picture Rhyne draws, and the situation as it actually is—and as reported in "Southern Cotton Mills and Labor"—bear little resemblance to each other.

GASTONIA REMAINS

Both Mr. Rhyne and the Institute for Research in Social Science have failed utterly to explain away Gastonia. This book is a poor apology for the southern millowners' policies, and unscientific from beginning to end. It's unscientific nature was foredoomed from the start by two conditions—first, because the study was undertaken by a group controlled by mill companies; and second, because the author and the Institute directing his work have no scientific approach to or theoretical comprehension of the problems involved in such a study. Uncritically accepting capitalism, as they do, they can achieve no understanding at all of its fundamental principles and dynamics. They are totally ignorant of Marxism and the dialectical method, which alone is able to furnish an adequate base from which to proceed on such an investigation and analysis. In consequence, their approach is purely mechanical, static, and superficial. They labor under the illusion (and this is the common conception among orthodox social scientists), that a few statistics and a few picture-card descriptions thrown together make a scientific study. The result is a confused hodge-podge.

Heer's "Income and Wages in the South" falls within the same category as Rhyne's book. There is the same lack of correct theoretical approach, the inability to analyze the facts set forth, in this instance, on Southern agricultural and industrial wages, the same empty conclusions. Heer, like Rhyne, blames southern workers and poor farmers for their plight; for, he holds, their low wages are commensurate with their low productivity and inefficiency. Yet his facts themselves disprove this argument. He fails to see how agricultural and industrial conditions in the South are an inevitable part of the working out of the capitalist system there, with conditions reaching especially acute forms there due to the historical antecedents of a slave and semi-feudal economy, and to the present caste system through which the whole Negro race is held in bondage and ruthlessly exploited, and their Poor White brothers on the land and in the mills are lashed by the other end of the same whip. These are the means whereby the southern Bourbons have been able to force southern toilers into the worst conditions of any section of the country. The author likewise fails to see the inevitable organization of southern workers, agricultural laborers, and poor farmers against this system and the decisive role which they are destined to play.

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Here, also like his fellow-writer, ignores the significance of the role and position of the Negro in southern economic life. This fact alone would render his treatment of southern economic problems, especially agricultural problems, useless. Some significant figures are given on the proportion of Negroes in the various phases of the economic system, but these facts are totally disregarded by the author when he comes to an interpretation of his data. Like all good Anglo-Saxon, middle-class, southerners, Heer and Rhyne simply take the caste system and exploitation of the subject race for granted, and let it go at that. Again we have a tribute to the bias of bourgeois scientists. However, this much can be said for Heer's monograph. It contains, in a concise form, some useful facts and tables for the Marxian student of southern economic organization.

Other than this, the two books are quite useless. They have received the space they have, only in order to expose them before the working class as excellent examples of the true character of bourgeois social scientists and their liberal pretensions. The cloak of impartiality, in which the professors have so carefully wrapped themselves, falls away, rent into bits by the class forces of modern society. They stand naked before the searching eye of the American proletariat, revealed as capitalist lackeys and intellectual prostitutes, apologizing for the very system that sucks the laboring classes' blood.

BOURGEOIS "SOCIAL SCIENCE" VS. MARXISM

In the field of social science, as well as in everyday activities and struggles, we stand today, class against class. So long as we live in a class-divided society, there can be no such thing as a classless, impartial social science. There is no neutrality in time of battle. The ruling class knows this, and so do the revolutionary workers. Only cowards and mental incompetents believe in *impartiality*.

The alternative today is between bourgeois pseudo-social science, and proletarian social science, i.e., Marxism-Leninism. Capitalist "social science" is not—can not—be social science, since it is grounded on a system of exploitation that is doomed, and put forward by a class become reactionary and already headed for the historical dump head. We say proudly and openly that ours is the genuine social science, a working class science. While it was part of the role of the bourgeoise to develop natural science as one means of its gaining hegemony and more effectively exploiting labor; it is part of the historical role of the proletariat to develop social science as an indispensable weapon in its struggle against capitalism and, after conquest of power, as an instrument for building up a scientific, rational society. But while the capitalists have perverted the natural sciences to their own profit-making, imperialistic ends; the working class—as demonstrated by Russia—will utilize social and natural sciences, in the period of socialist transition, to overcome class antagonisms and inner contradictions of economic and social life, to raise the economic and cultural level of the entire population, and by these means finally usher in the classless, Communist society.

In view of this perspective, the trite blah of such books as these issued by the millowners' Institute are like straws before the gale. The strong weapons of Marxism deserve opponents more worthy of their steel.

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THE LABOR BANKING MOVEMENT IN THE UNITED STATES. Prepared by Idustrial Relations Section of the Department of Economics and Social Institutions of Princeton University. Pages 377.

A few days ago the press carried quite inconspicuous stories of the failure of another labor bank, the Brotherhood of Railway Clerks National Bank at Cincinnati. The circumstances were reasonably scandalous, even for a labor bank. At least two of the officials of the institution had been partners to loaning money on about $200,000 worth of forged securities from a professional "kiter," and had misappropriated about a million dollars, partly on other forged or worthless paper and partly without security to finance a speculative proposition of their own. The bank was one of the moderately large concerns. having exactly a year ago (latest figures available) a capital stock of $400,000 and deposits of $4,307,998. It was one of the few labor banks that had actually paid dividends, two payments of 2 per cent in 1928, and two more in 1929.

Well, you can't steal a quarter of the money in a bank without doing it some damage—when the swindle became known depositors drew out their money, the bank closed its doors, and within a few days was sold to a capitalist company.

The fact that so little notice was taken of this affair shows that the wrecking of a labor bank is no longer news. It is just the recognized natural end of a labor bank. The days when labor banking was hailed in the Saturday Evening Post and the financial pages of the Times as the grand new turn of society, the substitute for the class struggle, "American Labor's complete answer to the theories of Marx and Lenin" (Prenter, of the Brotherhood of Locomotive Engineers)—these days have gone, perhaps not forever, but at least as long as the present situation lasts.

And if they are ever revived during some partial recovery from crisis, some temporary slackening of class struggle, it will have to be in a much more camouflaged form, much more of the pink tint of co-operation used.

It is, therefore, rather more in the light of history than of a thesis on a present living force, good or bad, that we should regard the most comprehensive study of labor banking yet produced, the book called "The Labor Banking Movement In The United States," prepared by the Industrial Relations Section of the Department of Economics of Princeton University. The report was mostly written by Prof. J. Douglas Brown, director of the section, on the basis of statistics collected from banking, union and government, sources, and from an extensive correspondence with hundreds of labor banking officials and others. Reference is made to an extensive bibliography. I think we may accept the figures as correct, and the chief value of the work as that of a reference book, giving the main statistics of the labor banking movement, particularly in the last of two useful appendices.

This appendix gives in Part 1, dates of opening, form of charter, how promoted and organized, form of ownership, what co-operative features if any, what special services if any, relation with other banks, personnel of officers, general character of business, and a yearly table from date of founding to 1929 of capital, surplus and undivided profits, deposits, resources and dividends paid, if any. This is all for labor banks still in operation in 1929. There were 22 banks in 1929 in this list.

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Part II of this appendix gives the same data for banks that have failed, and adds, "Circumstances of termination." There were 17 in this list in 1929. That is a pretty high rate of mortality, considering that the whole movement is less than ten years old.

But this does not count the number of still births. Some are listed under Part IV of this appendix, as "Proposed or Partially Promoted Labor Banks," and of these 11 are mentioned. This is, if we can believe the labor bankers themselves, rather doubtfully complete, for their articles in the capitalist press (not reported in the Princeton University book), tell of "Fifty new banks ready to open in this part of the country," etc. Just as surely as the labor union investors in listed banks where the money was stolen or wasted before the bank actually opened its doors lost heavily, and made very little fuss about it, there were certainly at the height of the labor banking bubble's flight a large number of unheralded and unsung, though not unwept, schemes that looted each their few thousands of dollars from the skilled wage earners, and vanished, leaving them too much ashamed to talk about it. Some of these concerns may be in a list of 30 names and sponsors given in the last part of the appendix, entitled, "Labor Banks Reported As Proposed."

Well, the book is chiefly useful for Part I of this last appendix. You can buy it, and then as the remaining 21 labor banks blow up one after the other, you can check them off with a blue pencil on the neatly arranged list in Part I of Appendix B., noting at the same time, if you are interested, just how many thousand dollars of the workers' small savings was shot in that particular racket.

It might be interesting, however, to mention the general attitude of the Princeton group toward labor banking. They were friendly to the idea. A tone of deep sadness pervades the pages written by Brown at the fact that there is so little to say on the favorable side. He never foresees failure. There is no hint that the clerk's would crash. Excuses are always recorded. No emphasis is thrown on the spectacular failures. For instance, in the chief failure of all, the collapse in 1927 of the Brotherhood of Locomotives pyramided fraud, you do not find the romantic details of the complex swindling of Grand Chief Stone or his still living, and still ruling, associates spread out on the pages. Princeton University, recording the collapse of the Brotherhood Bank in San Francisco, remarks, "Little need be added concerning the reasons for the unfortunate history of this bank. There was no excuse for its initiation as a labor institution. San Francisco is a financial center, rather than a payroll center," etc. It is a well proven fact that Stone was not the whole of the swindling clique at the head of the B. of L. E. The present heads had their feet right in the through, too. It was after Stone died that the $16,000,000 gamble was made in Florida real estate by Stone's associates. The workers lost the $16,000,000 Florida real estate by Stone's associates. The workers lost the $16,000,000, and the convention didn't even expel the swindlers. This is not brought out in the Princeton book.

Since the whole theoretical basis of labor banking was that it gave the workers a chance to buy up capitalism, was a substitute for revolution, abolished the class struggle, carried on at a higher tempo that process of the "capitalist efficiency socialists" of which certain forms of co-operation, wellfare schemes, workers' stock ownership, B. & O. plans, etc., are the

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quieter and more reliable types, one can understand the melancholy thoughts which dictated the Princeton group's statement:

"Rather than protecting the labor movement against anti-union aggressions, the enterprises in these cities have exposed it to the charge of mismanagement and irresponsibility. This, without doubt, has reacted on both growth in membership and employer recognition. It has furnished ammunition for the attacks, not only of the opponents of labor organization but of the radical groups of this and other countries."

Indeed the Princeton book has to list failure in each of the points used as propaganda for labor banking. Labor banks were not a success from the banking point of view. (A mild enough way of referring to the $20,000,000 lost to the B. of L. E. members, to the other millions lost in other unions!). They were not able to finance workers' co-operatives (they didn't even try it). They did not increase the bargaining power of labor. (One reason they were organized was to tie up strike funds and prevent strikes, make sell-outs easier!). They did not inhance the prestige of the unions founding them (Stone & Co.—'Nuff said!). They did not end the class struggle (Though they did insure defeat to certain sections of the working class!). They did not even save hard pressed union contractors (That is, they were not efficient even from a class collaboration point of view!). They did not pay dividends, either to depositors or investors, except in rare instances and for small amounts (And these were mostly fake dividends as a "come-on" for the rank and file suckers!). Sometimes the cost of promotion was "unreasonably high" (Up to half the capital!).

The Princeton statisticians admit all this, pensively. You can see, in addition to the painful awakening from Professor Carver's golden dream of a genteel fascism, the amazement of business men, as to why such a capitalistic minded gang as the officials of the A. F. of L. and the brotherhoods could not invest workers' money of which they had by undemocratic means gained complete control in as simple a business as banking, and make it tolerably successful. They are inclined to blame the failure on enthusiasm, individual speculation, and on "trade union politics." They forget that the heads of business unionism are first and fundamentally corrupt—they hold office and are useful to capitalism because they are traitors and grafters. To give the converse of Shakespeare's proverb, since, "They can not then be true to any man" is it useless to say to them, "To your own selves be true." They just steal everything in sight, no matter how shortsighted the policy is.

AN AUDIT OF AMERICA. A Summary of Recent Economic Changes in the United States, by EDWARD EYRE HUNT. McGraw-Hill Book Co., Inc., 1930.

An Audit of America is a semi-official summary of the two volume *Recent Economic Changes* published in March 1929 by one of Mr. Hoover's own commissions to explain things. According to the author "the survey may be interpreted as a description of the levels on which the American people live, explained so far as may be by recent changes in manufacturing,

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construction, transportation, marketing, labor, management, agriculture and finance." (p. vi). This summary contains intimations of practically all the most stupid slogans which have formed the band wagon of America's "exceptional" position in world economy. In the manner characteristic of academicians who do the theorizing for American capitalism there have been interspersed "but's" and "however's" to make it appear as though their work were scientific. The "dark spots" are noted to make less obvious their basically unequivocal defense of the capitalist system of exploitation. In academic language "they see both sides of the question"—which, in the class struggle, means that theirs is the malodorous task of deceiving the masses as to the nature of capitalist exploitation.

An analysis of the multiplicity of detail to which reference is made in the volume is impossible in this review. A group of instances may serve to indicate the scientific level of the survey. The advance in machine technique which has thrown thousands of workers out of employment is called "labor-supplementing machine equipment" (p. 2). In the chapter "Our Contacts Abroad" no mention is made of imperial conflict resulting from the struggle for markets, nor is any mention made of the increasing integration of United States economy within the world economy and the consequent close correlation between the export market and the level of economic activity within the United States.

"Such prosperity as the United States has enjoyed since 1922 owes less than usual to foreign stimulation and support. Our domestic business has grown faster than our foreign business. We have contributed more to alleviating the economic hardships of other countries than they have contributed to our activity." (p. 165).

"Alleviating the economic hardships of other countries" in plain imperialist language means the export of capital. In the present depression almost every capitalist organ is telling just how important foreign markets are to the "prosperity" of the United States. Of the development of finance capital—not a word, with the exception of a few banking data. Banking is, in fact, in the mind of Mr. Hunt, nothing less than a "public-service industry whose accounts are carefully regulated" and which "appears to be fairly profitable" (p. 155). Capitalism itself seems to partake of the nature of a philanthropic pursuit and while "efforts to check extortion have not ceased, the Government has treated business enterprises as agencies for performing social services." (p. 118). This is in scientific phraseology the description of the fascisation of the American Government and of the fact that the State is becoming a direct organ in the capitalist machine with the chief operatives in the State direct representatives of finance capital.

A chapter is devoted to "Changes in Management." There are words about the "functional type of business organization," about organized research, conferences in management, attitude toward salesmen, sales forecasts, inventory control, etc., etc. One sentence only about workers being fired when past the age at which the highest pace can be exacted of them. "Little evidence can be gathered as to the age at which workers are being retired" (p. 91). Unimpassioned, level headed, scientific—hypocritical. It recalls a recent item in "Domestic Commerce" issued by the U. S. Department of Commerce May 10, 1930:

"The Industrial Relations Conference of the Associated Industries of Massachusetts reports finding no data to show general discrimination against older workers, either as to hiring or discharging, and that most employers

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in that State are trying earnestly to find ways to lessen the difficulty of older workers in finding and retaining employment. It is pointed out that the problem grows as the concern grows old."

Data, evidence—the absence of countless numbers about a subject is an excuse for these scientists not to worry about misery for the worker and to imply its non-existence. They proceed in the same hypocritical fashion in the discussion of the replacement of workers' skill by machines.

"Any real knowledge of the extent to which skill has been displaced, to say nothing of the social consequences of displacement, must wait upon some consensus of opinion as to what is to be taken as constituting 'skill'." (p. 89).

As to technological unemployment we find that "the analysis of employment shows no immediately pressing problem of this sort." (89). At least not pressing on Mr. Hoover's apologists for capitalism, though it means degradation and suffering for thousands of workers. Not quite so, for "the survey seems to indicate that the time has come (the walrus said, to talk of many things.—E.B.) to devote continuing attention not only to the problem of cyclical unemployment but also to technological unemployment." (p. 180).

It has become customary among bourgeois economists and such like to admit the crisis in agriculture. For the farmer the *Audit* holds the following prospect. "There is nothing which seems to promise this (a practical program of immediate agricultural relief). Basic difficulties have not been removed and new complications are arising. Indeed, agriculture may have not far ahead of it what in stock-market parlance is called a 'secondary reaction.' After ten years we can hardly call the situation an emergency but must address ourselves to the question of what sort of a permanent organization of agriculture the nation needs and should expect." (p. 110). The farmers' struggle must be led into ineffective channels and the *Audit* points the way.

"It might prove wise for the farmer to take a stand as militant, with reference to the American standard of living, as has the trade unionist and possibly to invoke the machinery of government to this end." (p. 110). They would lead the farmer into believing that the way out for him lies in the continuance of farm blocs, agricultural bills and parliamentary debates. The "machinery of government" which the farmer should "invoke" is the capitalist state. Farm representatives in Congress are the means by which the struggle of the farmer is evaporated into empty phrase-mongering.

The militant trade unionists to whom reference is made are members of the A. F. of L. Of that organization it is noted that "Union labor policy is now more preoccupied with problems of production, as shown by the various experiments in cooperation and the relaxation of the trade-union attitude toward machinery. The American Federation of Labor has initiated the doctrine that wages should rise proportionately with the increased productivity of labor." The A. F. of L. bureaucracy wins this praise because it cooperates in speeding up the workers, because it is "preoccupied with problems of production," *capitalist problems instead of workers problems.* In passing, it may be noted that though a section is devoted to productivity—with nice figures—not a word in contained in it for speed-up or stretch-out. The factors making for increased productivity are "the education and skill of the workers, the alertness and ingenuity of management and the state of science." (p. 77). Speed-up and stretch-out would probably be classified quite properly under "ingenuity of management."

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The most important thesis in the book is that concerning organized capitalism. It is pointed out in the introduction that "the Committee on Recent Economic Changes added the important conclusion that if we are to maintain our economic advantage and fully to realize our possibilities, we must develop a technique of balance—a larger degree of influence over the economic forces which are revealed in the report." Instances are therefore noted throughout the volume where such balance is being attained or is about to be attained. "Steady prgoress has also been made toward systematizing the nation's building program and toward a national pooling of part of the funds (for building)." (p. 39). "If the tendency toward price stability persists, it will affect materially the economic complexion of the years before us, for some of the speculative element goes out of business when such conditions prevail. *Business and prices alike seem to be growing more stable.*" (Our emphasis—E.B.) (p. 113-4). Stock yields have fluctuated less than in the decades before the war (p. 124) and the Federal Reserve system has made a substantial improvement in the stability of the money market.

We might note first that in the year since *Recent Economic Changes* appeared, building construction has slumped about 40% and prices of raw materials and farm products have slumped more sharply than at any time in the period in which "recent economic changes" took place. Stock prices (and yields conversely) have experienced the greatest boom and the most disastrous drop since 1920 and the recent secondary slump indicates that the deflation of the market is not yet completed. The Federal Reserve system countenanced the greatest speculative boom the country has ever seen. So much for the few points mentioned.

The present book was published after the stock market crash. The author therefore notes "evidences of a dip (sic—E.B.) in the business cycle." (p. VII). But it is just at those times when a crisis occurs that there is a possibility of working for economic balance because when things are already balanced there is nothing to do but talk about it. So Mr. Hoover's emergency program got under way and when the introduction was written the author noted that "these efforts have already exerted an influence in the direction of economic balance." When some curious mind among the bourgeoisie suggests that it is somewhat difficult to see all the good that has come from Hoover's conferences and speeches he is answered in hollow tones "Where would America be, though, if it were not for Hoover's conferences and speeches, Amen."

Pages 181 to 185 are devoted to a reprint of the Committee's conclusions. The Committee noted the interdependence of the capitalistic structure to and its sensitiveness to disruption. The way toward economic balance is hard but "in the marked balance of consumption and production, for example, the control of the economic organism is increasingly evident." (p. 182). Which means that the worker out of a job, who is not producing, should not eat either so that this balance might be maintained. The remainder of the Committee's conclusions maintain the low intellectual level achieved in the above quotation.

It is significant that while the Soviet Union strides ahead with the Five Year Plan, American bourgeois economists blabber of economic balance, organized capitalism. It is equally significant that while the Soviet Union surpasses the goals set in the Plan, capitalist America and the capitalist economy throughout the world stands in the depths of an economic crisis.

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An *Audit of America* contains several things. It contains lots of data, which are to be found elsewhere and mean just as little in the present volume without analysis as elsewhere. Of the data of capitalist world antagonisms and struggle the *Audit* says nothing. Class struggle in the United States finds no more attention. The exploitation of the working class and its oppression are explained away without even being frankly stated. Organized capitalism is the leitmotif. The *Audit* adheres closely the practices well learned in capitalist accounting. The *Audit* is capitalist bookkeeping. It certifies to the need of organized capitalism and implies its possibility. The present crisis testifies to the disruption inherent in capitalism. Marxian economics has taught us that organized capitalism is a contradiction in terms.

SOVIET ECONOMIC DEVELOPMENT AND AMERICAN BUSINESS. SAUL G. BRON. Horace Liveright. New York, 1930. 147 pages. $1.50.

Reviewed by LOUIS KOVESS

The author, for three years chairman of the Amtorg Trading Corporation, in his book reviews the present economic status of the Soviet Union, the Five Year Plan, the First Year, the prospects of the Second Year and Soviet-American trade. It is not the intention of the writer to develop an individual opinion on the "Russian Experiment" as many "liberal-minded" gentlemen like to put it. The book is a rich collection of facts,—the trend of development traced on the basis of these facts, the dynamics of soviet development, and the resultant change in the relation of socialist and capitalist economy. It is nt a propaganda of words, but of facts.

At the time of the congressional investigation, when the fascist Fish Committee has the attitude of handling commercial representatives of the Soviet Union as petty criminals, it will be especially interesting to follow Bron in the study of the economic status of the Soviet Union in 1929.

"The Soviet fiscal year of 1928-29 was essentially a transition year," says Bron, "in that it marked the beginning of a period of industrialization at an intensified tempo and of transformation of the social and technical bases of agriculture—the beginning of the operation of the 5 Year Plan of economic construction . . . which in a few years, will convert the world's largest country from a primarily agricultural into a great industrial power. . . ."

Bron cites facts proving, that in 1928-29 the industrial and agricultural production far surpassed the pre-war production (1913 representing the pre-war peak of economic growth of Russia.) The advance in production is; electric power 232.4; agricultural machinery 175.8; coal 40.5; oil 47.3; steel 10.6; cotton cloth 82; railway freight operation 62.3; foreign trade 40.4; agricultural production 12.7.

From this economic status, which is favorable, compared to the peak of prewar economic growth, the development started on a gigantic scale, as indicated in the Five Year plan, showing tremendous results in its first year.

The first year (1928-29) was marked by the beginning of the introduction of the 7 hour working day and the continuous work-week, the extension of socialist competition, the growth of large scale industry by 23.4% instead of the contemplated 21.4%, the doubling of peasant's households joining collective farms, the establishment of a great number of new 'GIGANT'

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state farms, 4.0% growth in the total area sown to grain and 4.9% gain in total crops.

The Five Year Plan provides a 238% increase in capital investment in the whole national economy, 103% growth in the national income, 331% in the output of electric power, 136% in industrial production, 55% in agricultural production, 381% in construction, etc. At the end of the fulfillment of the Five Year Plan, 4 million more workers will be employed in industry, the cost of living will decrease 14.1%, and wages will rise continuously. The Five Year Plan provides 21,000,000,000 rubles ($10,920,000,000) for social welfare and cultural development of the working masses.

The results of the second year of the Five Year Plan up to date indicate that the Five-Year Plan will not only be fulfilled, but surpassed.

Bron writes only about Soviet conditions and trends of development there. But these living facts break through the blockade of capitalistic lies and these facts volunteer to be compared with the conditions prevailing at the other pole of present day society, with the conditions in the mightiest capitalist country. Here 8,000,000 unemployed, wage cuts, speed up, the Five Power Plan of imperialist war preparations, anti-workingclass terror, all contrast strikingly with soviet developments, as decline contrasts with rise. Bron does not speak about this, but cites several American capitalist papers, themselves indicating the changes which have come about in the relation of the Soviet Union and the United States. One Cleveland paper says, for example, "Had it not been for these Russian orders, many Cleveland factories would have faced a shut-down when automobile orders temporarily stopped."

The American capitalists cannot say anymore, as they did at the first year of reconstruction of Soviet industry, that, "Soviet Russia has only bolshevist propaganda to export and has no money for import." Bron shows that the American import from the Soviet Union in 1929 has grown 80% compared to 1928 and export to the Soviet Union from $32,500,000 in 1928 has grown almost threefold, to $94,500,000. In the last few years the Soviet Union purchased cotton in Texas for $120,000,000, in New York industrial products for $60,000,000, in California products for $10,000,000, each item representing only the largest purchases in the South, East and West.

He goes on to enumerate the hindrances to U.S.S.R. trade. No official status of Soviet organizations in America, no loans, etc. He supplies a great number of charts, diagrams, a list of technical assistance contracts with American firms, foreign concessions in the U.S.S.R., and a great deal of statistical material.

For the workers it is worthwhile to read this book to learn the conditions and prospects of their only fatherland, which they have to defend against American, and other imperialist powers which are preparing a counter-revolutionary war against the Soviet Union. Even Mr. Fish, his bosses and co-lynchers, may learn this much from the book, that the Soviet Union is a great power which can exist and develop even if trade relations with the American capitalists are cut off.

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REDS AND LOST WAGES. CHARLES G. WOOD, Commissioner of Conciliation, Department of Labor. Harper & Bros., New York. 1930. 280 pages.

Reviewed by VERN SMITH

I saw Commissioner Wood appear to testify before the Fish Committee, during the course of which testimony, he submitted a copy of this book as valuable evidence. Wood's "testimony" was a joke. He rambled. He was incoherent and nearly inaudible. He mouthed words. He had nothing to say, except badly remembered quotations from his book. He was ill at ease, trembling, pale, worried. In fact he looked and acted like a dope fiend. The impression crept home and remained in the minds of all who heard him, friend and foe alike, that this man is neither the author of this book, nor the author of the policies he enunciates in it. He is a figurehead, a dummy, a mere mouthpiece for some other far cleverer and more efficient person or group. He is their agent who runs aound cooking up "Red exposures" for the Fish Committees, and subsidizing with full page advertisements Russian white guard papers run by the monarchist Bernadsky.

Wood is a former small town editor, an unsuccessful editor. Political friends have taken care of him, and undoubtedly have something on him. This does not mean that his work lacks importance on that account. If this book and the policies it sets forth were the work of a mere individual, the voice of an observer of trade union and strike struggles, it would lack some of its importance. As the voice of an advanced and particularly ruthless section of the capitalist class, it acquires some value for the proletarian student, however withered and palsied the tongue may be that parrots the words given it to utter.

"Reds and Lost Wages," then, seems to be intended to serve two contradictory purposes. One, as its title indicates, is to furnish capitalist propaganda directed to the workers, with the hope of convincing them that everything is or will be all right, and any militant action is merely a scheme of alien Communists to "loot them of their savings." The other is an attempt to work out a paternalistic and semi-fascist theory of industrial rulership, directed at the employers, to stiffen their morale.

Some curious logical hybrids result from the mating of these two theories—though, indeed they will unite—they have the common aim to reduce workers to even deeper slavery than they already endure.

As part of the first theory is Wood's insistence that the textile industry must take care of the laborers placed at its disposal. Wood writes with colorful horror of the dreary mill villages of the South. Almost his last words (Page 280) are, "The public does not demand that what it pays shall be the price of low wages and excessive hours of toil." At other times he scores the backward employers with small mills in the South, saying that they start strikes by oppression in their mill owned towns. To be sure, some of this may also have an ulterior motive—Wood is more charitable toward big industry, loves organized employers more than unorganized, perhaps speaks for the northern mills rather than the Southern. (His present post is, and all early activities were in New England). But he also extends this paternalistic attitude to some extent towards other sections of industry.

With this goes a boost for "American standards of living," his assurance that the "radio-fan and auto-owning working class" of America is not particularly susceptible to Bolshevik arguments. (It seems to be more of a hope than a belief.)

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And as part of this is his argument that the Communist Party, Communist leadership in strikes, the Workers International Relief, and the International Labor Defense are mere money raising schemes, which nevertheless disrupt the orderly advance of industry through peaceful collaboration between the A. F. of L. and the employers. His chapter III "How Workers Are Made to Pay," is simply a collection of lying legends about Communist leaders using strikes to raise funds, then running out and leaving the strikes to be lost. It is a theory contradicted over and over in his own book, when he has to admit that the Communist leaders in Gastonia stayed to the bitter end, and took heavy prison sentences as a result, when he tells of the arrests in New Bedford made after Wood had decided that the strike was lost, when he tells of the continued organization of Communist nuclei in all the regions swept, and as he says "devastated" by hard fought strike battles.

It is contradicted by his insistence over and over that the "Communist Menace" must not be disregarded. He has great scorn for those who say that persecution of the Communists only advertises them. Wood is for persecution. Part of his program is for more and longer jail sentences. He heaps coals of fire on the heads of judges who give light sentences, on governors who refuse to extradite strike or relief campaign leaders (particularly the case of Biedenkapp in New York and Massachusetts.)

His arguments that Communists steal the workers' money are simply rot; he boils up a pack of lies and misrepresentations. For example: "Its (the W.I.R.) executives do not hold membership in any club affiliated with the advertising clubs of the world whose slogan is 'Honesty in Advertising' " (p. 25) and his expressed disgust with Wagenknecht of the W.I.R. for "living in a hotel in Charlotte while taking money from the starving workers of the Gastonia mills." He does not for a moment mention that if Wagenknecht had not gone to a hotel he would certainly have been lynched, that attempts were made even there to catch him in some other way than by burning the hotel, as workers' houses would have been burned, and that the W.I.R. was giving relief in Gastonia, not collecting money from the strikers. He argues that the assessments and dues (far lower than the A. F. of L. unions charge) used by the Independent Shoe Workers Union in Brooklyn last year are robbery—though the money was all used, with donations from the outside, for relief of strikers, and only those working paid the assessments.

As part of his other theory, the one directed at the employers, he recites with unction case after case where employers stood fast against union demands and broke the union. He tells how, after he read the contract between the I.S.W.U. and the Brooklyn bosses, which provides that a man shall be fired only with the consent of the union, he advised (p. 146) that all employers break this contract.

At various points he repeats that "someone must be boss," that the employer must jealously guard his right to hire and fire without interference from the union, that any shop control, however, slight, given the shop committees or other part of a union is "an injury to the workers and ruinous to the employers."

Some of his chapter headings are illuminating, even more than the text which follows them: "Strikes Can Cause the Fall of Governments," "Divided Employers Spread Confusion," "Newly Organized Unions Need Careful Supervision."

Out of these contradictions, Woods thinks he has found a satisfactory synthesis (for the bosses) which is a plan for continuation of the industrial

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oligarchy, with a protective shield of class collaboration, with the capitalist government "moderating" between capitalist and capitalist, and between capitalist and labor faker. The employers should be thoroughly organized. The weaker sections of industry, like the textile fields of the South, should be strengthened so that they do not so easily become centers of disorder and rebellion. The worker should realize that his boss is boss, the final dictator, and in return the boss should see that the working cattle get enough fodder to survive, so that they do not start revolts out of sheer despair.

Then the camouflage, there should be company unions, but not open company unions. The old A. F. of L. unions should be preserved, and should enter into contracts for compulsory arbitration and no strikes. The unions should be smashed though, if they do not discipline the workers. The arbitration machine of the state of Massachusetts which has a legal right to intervene and subpoena witnesses is good, and there should be more like it. The Federal conciliation organization will help, like arbitration agreements between capitalists, to keep the class collaboration machinery working, and prevent revolts arising out of the mere stupidity and incapability of the masters of industry.

Naturally the Communists, and all the militant unions of the Trade Union Unity League, calling the workers to class war, to real gains, to eventual overthrow of the parasite system, has no place in this, and Wood's policy is to outlaw them, suppress them with a regime of blood and iron.

That is the theory, and Wood's practice as a government agent has been in line with it. Well, this is not exactly new—but it is the policy of American big business, and it is more or less internally consistent. Most of the contradictions in Wood's book come from his attempt to make propaganda for the theory among the workers, to convince the workers that it is good for them. There, Wood, that is to say, the capitalist groups speaking through Wood set themselves an impossible task.

Neither does the theory of permanent capitalism, doling out enough, or less than enough, to eat to workers and establishing a formidable machinery of class collaboration to get the most work out of them, take account of the effects of crisis, imperialist war, the forceful example of the very different system in the Soviet Union, the growing resentment and class consciousness of the masses. But this would be too much to expect. No Czar ever seriously prophesied his own downfall.

Wood's book as history, is no good. It has too many lies in it. But if some worker has a little time and wants to contemplate one of the weirdest splashes of camouflage ever spread over an instrument of destruction and oppression—he can read Wood's book. It is valuable as a study of capitalist trends, program and deceit.

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